

GOVERNMENT OF INDIA.

ACCOUNT CODE.



Issued by authority of the Auditor General in India.

FIRST EDITION

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PREFACE.

1. The Account Code has been compiled by the Auditor General in virtue of his functions as defined in the Statutory Rules framed under Section 96D (1) of the Government of India Act. The rules in this Code describe the accounts maintained in Audit offices, the principles on which they are based and the procedure to be adopted in their maintenance, and thus supersede the rules in that respect as given in (1) Volume II of the Civil Account Code, seventh edition, and (2) the Public Works Department Code (edition of 1908) as modified by the Government of India, Finance Department letter No. 1582A, dated the 1st October 1918, regarding the revised system of Public Works Accounts. The detailed instructions embodied in this Code are intended primarily for the guidance of Civil Audit offices. The general rules and principles on which the instructions in this Code are based, as well as the detailed instructions relating to accounts with other Audit circles, Finance and Revenue Accounts, and Review of Balances apply also to other Audit offices subject to any modifications set out in their respective Account Codes issued under the authority of the Auditor General.

2. The rules in this Code can be amended and revised by the Auditor General who will welcome any suggestions that are made for his consideration by Audit Officers or by local Governments who are entitled to obtain any information which can be derived from the accounts maintained by them.

M. F. GAUNTLETT,
Auditor General.

March 1st, 1922.

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ACCOUNT CODE.

PART I.

General.

Chapter 1.—General Outlines of the System of Accounts.

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NOTE—The term Civil Accountant General as used in this Code applies also to the Comptroller, Assam, and to the Audit Officer, Indian Stores Department.

Introductory.

1. The Governor General in Council who is the custodian of the public account, may, acting under Rule 16 of the Devolution Rules and with the previous sanction of the Secretary of State in Council, issue Treasury Orders prescribing the procedure to be followed in the payments of moneys into, and in the withdrawal, transfer and disbursement of moneys from, the public account, and for the custody of moneys standing in the account. A Treasury Order, though issued under the Devolution Rules, is applicable to all administrations.

2. Under these Treasury Orders, the procedure for payments into the treasury or the Bank, of moneys not derived from sources of provincial revenue, is prescribed by the Governor General in Council. Similarly the procedure for payments into the treasury of moneys derived from sources of provincial revenue will be laid down by the Governor in Council with the concurrence of the Auditor General. As regards withdrawals of moneys from a treasury or the Bank, the detailed procedure and forms of bills will be laid down by the Governor in Council with the concurrence of the Auditor General in the case of withdrawals for expenditure on provincial subjects, and by the Governor General in Council when the withdrawal is for expenditure on Central subjects.

1. The term "the Bank" as used in this chapter means the Imperial Bank of India or any branch of that Bank.

3. Under rule 22 of Auditor General's Rules, the Auditor General determines the forms in which Treasury Officers as well as other officers who render accounts to the Indian Audit Department should render such accounts and in which the initial accounts from which the accounts so rendered compiled or on which they are based should be maintained.

4. The Finance Department of the Government of India or the local Government, as the case may be, is responsible that suitable accounts are maintained by other departments and establishments subordinate to them, and the Accountant General should seek its intervention in cases in which the forms of initial or other accounts, or of bills, prescribed by competent authority, are deviated from.

5. Under rule 19 of the Auditor General's Rules the forms in which the accounts should be kept in Audit offices are prescribed by the Auditor General.

6. The Governor General in Council or the local Government may require any information which can be derived from the accounts maintained in an Audit office, and for this purpose the Audit Officer may find it necessary on occasions to make slight amendments in the forms for maintaining accounts. But all important changes in the prescribed forms and procedure should be referred to the Auditor General. All returns, accounts and statements required by the Auditor General should invariably be prepared in the forms prescribed by him.

7. The following are in brief the general outlines of the system of the accounts of the Government of India :—

(a) All receipts on behalf of Government are paid into a treasury or the Bank. Except as provided for in clause (b) below, the initial accounts of such receipts are maintained at the treasury.

(b) Receipts realised in the Railway, Military (including Military Works Services), Marine, Posts and Telegraphs, Public Works and Forest Departments, as well as in the Mint, are paid into a treasury or the Bank in lump and are accounted for at the treasury merely as receipts on behalf of such departments. The detailed accounts of such receipts are kept by departmental officers concerned.

1 Except when specially authorised, organised revenue departments are not allowed to be "in account with" the treasuries in respect of their revenue, i.e., the revenue can be brought to account only as actually received in a treasury account.

(c) All payments on behalf of Government are made either at a treasury or the Bank; or, sums are or the Bank, by some depar (see Treasury Orders 15 ar Code). In the former case the initial accounts of payments are kept at the treasury. In the latter case such accounts are maintained by the departmental officer concerned.

1. The accounts referred to in this clause do not relate to the accounts maintained by Government servants in respect of expenditure incurred from permanent advances (See Article 93, Civil Account Code.)

(d) The Treasury Officers as well as the departmental officers referred to in clauses (b) and (c) render the accounts of their transactions to their respective Audit Officers. Departmental officers

who keep stores similarly render the accounts of their stores to their respective Audit Officers if arrangements for the audit of such store accounts by the Audit Department have been made under Rule 12 of the Auditor General's Rule.

- (c) Accounts received from treasuries and departmental officers are classified in the Audit office under the rules in chapter 6 of the Audit Code, and abstracted under the appropriate heads of accounts classification. Some departmental officers are, however, required to render compiled accounts with suitable abstracts of their transactions classified under heads of accounts. In such cases, the accuracy of these abstracts is checked in the Audit office.

1. Classified Abstracts are prepared by the treasuries in Madras for submission to the Audit office.

- (f) The classified abstracts referred to in clause (c) together with transactions passed on for adjustment by other Audit circles, vide Article 8, are consolidated, month by month, into one account for the whole Audit circle. An extract of this account is sent monthly by each Audit Officer to the Controller of the Currency who consolidates, month by month, all such accounts for the whole country.

1. Railway Audit officers render their accounts to the Accountant General, Railway, who consolidates all such accounts for submission to the Controller of the Currency. Similarly, the Deputy Accountants General, Posts and Telegraphs, submit their accounts to the Accountant General, Posts and Telegraphs, who consolidates them for submission to the Controller of the Currency. The Deputy Accountant General, Central Revenue, Delhi, submits his accounts to the Accountant General, Central Revenue, who incorporates them in his own accounts.

- (g) Each Audit Officer simultaneously works out the progressive figures during the year, of the accounts of his Audit circle. On closing the accounts of March (Final), the account of the Audit circle for transactions of the whole year is submitted by each Audit Officer to the Auditor General.

1. Rule 1 under clause (f) applies *mutatis mutandis* to the accounts submitted to the Auditor General. The Audit Officers of the Military Accounts Department submit their accounts to the Military Accountant General who consolidates them for submission to the Auditor General.

2. The financial year of the Government of India runs from the 1st of April to the 31st March, and the accounts of a year embrace the transactions pertaining to a financial year.

- (h) The Auditor General consolidates the annual accounts of all Audit Officers in India, as well as the accounts of Home transactions on behalf of the Government of India which are finally booked against respective heads of account in the Home accounts, into one annual account for the whole country. This account is presented by the Secretary of State to both the Houses of Parliament, and is called the "Finance and Revenue Accounts of the Government of India."

8. Transactions in one Audit circle which affect the accounts of another Audit circle are passed on, month by month, to such circle for adjustment.

under the rules in chapter 3. Under this arrangement the monthly account of each circle of audit (*vide* clause (f) of Article 7) includes not only the receipts and disbursements of the circle but also all debits and credits passed on for adjustment by other circles of audit.

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General duties of Audit Officers.

9 Thus the main duties of an Audit Officer as an accounting officer are :—

- (1) to collect accounts of all the receipts and disbursements of his circle of audit ;
- (2) to transfer to other Audit circles the items pertaining to them which originate in his circle, and adjust in his accounts the items transferred to him by other Audit Officers ;
- (3) to make up a monthly detailed account for his Audit circle and forward an extract of the same to the Controller of the Currency ; and
- (4) to make up a detailed account of the circle for each year and submit it to the Auditor General, *vide* clause (g) of Article 7, so as to enable him to compile one account for the whole country.

10. Though not necessarily taking a personal part in the compilation of his accounts, each Audit Officer is responsible for the accuracy and efficient working of the numerous processes of which that account is the outcome. He should keep himself thoroughly acquainted with the progress of revenue and expenditure, so as to be able at once to bring to notice any matter demanding attention. He is charged with the administration of those numerous matters in respect of which Government is debtor or creditor ; and it is his duty to see that proper accounts are kept of all those transactions and that due measures are taken for their adjustment. He exchanges accounts with other Audit Officers (see chapter 3), and it is his duty to see that these accounts are promptly cleared. The Audit Officer has the care of the pecuniary relations of the Government concerned with other Governments, departments, individuals and bodies, and for this purpose he has not merely to keep the accounts but to watch and in some cases direct the matters out of which the accounts arise.

1. The general accounts maintained in the offices of the provincial Accountants General are joint accounts of both the Central and provincial transactions. The distribution of the entire revenue and expenditure between the two Governments is worked out in a separate statement (*vide* Article 208). The provincial Government is furnished monthly with a *pro forma* account of its transactions and balances, including the transactions adjusted finally in the Home accounts, see Article 292.

11. Each Audit Officer is responsible to the Auditor General that transactions between him and other Audit Officers appearing in the Exchange

Accounts or the Central Adjusting Account are speedily adjusted and are not left outstanding for an unduly long period.

12. The Outward Accounts between England and India, prepared under Article 154, are submitted monthly to the Auditor General by the following officers :—

- (1) Each Civil Accountant General.
- (2) Each Controller of Military Accounts.
- (3) The Controller of Military Supply Accounts.
- (4) The Controller of Marine Accounts.
- (5) The Accountant General, Railways, covering transactions for all railways.
- (6) The Accountant General, Posts and Telegraphs.

These accounts are examined and sent on to the Secretary of State or the High Commissioner for India by the Auditor General (after checks so as to ensure mutual agreement) together with a covering abstract account embracing the whole of the transactions. The inward accounts from London are received by the Auditor General who sends extracts therefrom to the Audit Officers concerned for necessary action, and all correspondence with the Secretary of State or the High Commissioner takes place through the Auditor General.

13. The Controller of the Currency is responsible as an accounting officer for maintaining accounts of Foreign Remittances (*i.e.*, of remittances of money, bills or bank or currency transfers, from one Civil Audit circle to another) and Imperial Bank Deposits and for rendering these accounts to the Accountant General, Central Revenues. He is also responsible for watching that items are not left outstanding under these accounts.

14. The Controller of the Currency prints and submits to the Government of India the following monthly compilations of the accounts received by him under rule :—

- (1) one for Civil Accountants General ;
- (2) a compilation for the Posts and Telegraphs ;
- (3) a compilation for Marine Accounts ;
- (4) a compilation of all Military Accounts ;
- (5) a compilation of the Railway Accounts ;
- (6) a general abstract of the whole ;

and he is bound to see that these accounts properly work from balance to balance.

Finance and Revenue Accounts.

15. The statutory provision regarding the Finance and Revenue Accounts of the Government of India is contained in Section 26 of the Government of India Act, which runs as follows :—

- (1) The Secretary of State in Council shall, within the first twenty-eight days during which Parliament is sitting next after the

first day of May in every year lay before both Houses of Parliament—

(a) an account, for the financial year preceding that last completed, *of the annual produce of the revenues of India, distinguishing the same under the respective heads thereof, in each of the several provinces; and of all the annual receipts and disbursements at home and abroad for the purposes of the Government of India, distinguishing the same under the respective heads thereof;*

(b) the latest estimate of the same for the financial year last completed;

(c) accounts of all stocks, loans, debts and liabilities chargeable on the revenues of India at home and abroad, at the commencement and close of the financial year preceding that last completed, the loans, debts and liabilities raised or incurred within that year, the amounts paid off or discharged during that year, the rates of interest borne by those loans, debts and liabilities respectively, and the annual amount of that interest;

(d) * * * * *

(e) a list of the establishment of the Secretary of State in Council, and the salaries and allowance payable in respect thereof.

(2) If any new or increased salary or pension of fifty pounds a year or upwards has been granted or created within any year in respect of the said establishment, the particulars thereof shall be specially stated and explained at the foot of the account for that year.

(3) The account shall be accompanied by a statement, prepared from detailed reports from each province, in such form as best exhibits the moral and material progress and condition of India.

16. Inasmuch as the duty of supplying the accounts to the Houses of Parliament is laid upon the Secretary of State in Council, he is the final authority as to the form in which they should be prepared. To enable the Auditor General to prepare these accounts, statutory provision has been made empowering him to call upon any Government servant to furnish any information required for the completion of these accounts, *vide* Rule 18 of Auditor General's Rules reproduced below :—

The Auditor General shall compile the Finance and Revenue Accounts of India in such form as may from time to time be prescribed by the Secretary of State in Council and shall send them to the Governor General in Council for transmission to the Secretary of State in Council. He may call upon any Government officer to furnish any information in such form as may be required for the completion of these accounts.

17. All returns, accounts and statements for the Finance and Revenue Accounts must be prepared in the forms prescribed by the Auditor General and in all matters relating to these accounts the Auditor General's instructions should be followed as it is essential that there should be uniformity in the accounts of the several Audit offices.

1. Ordinarily the information required by the Auditor General for compiling these accounts is available in the case of Civil Audit offices, in the final accounts for March (*vide* Article 202) and the statements mentioned in Appendix 1.

Books.

18. Every Audit Officer is responsible for maintaining books exhibiting the transactions which pass into his accounts under the following classes of heads:—

- (1) *Service heads*.—Receipts and payments on account of Revenue and Expenditure of Government.
- (2) *Debt heads*.—Receipts and payments in respect of which Government becomes liable to repay the moneys received or has claim to recover the amount paid.
- (3) *Exchange Account heads*.—Receipts and payments to be passed on to the accounts of other Audit Officers, and debits and credits passed on by other Audit Officers and brought on the accounts.
- (4) *Account between England and India*.

19. No entries may pass into these books which have not first appeared in one of the regular monthly accounts, except—

- (1) The ordinary opening and closing entries.
- (2) Journal entries or corrections previously sanctioned by the Auditor General

20. The detailed instructions for Civil Audit offices in regard to the maintenance of these books are given in chapter 12.

21. The Auditor General maintains a Central Journal and Ledger which is posted from the final accounts of each year received from the Audit Officers, and from such journal entries as may be sanctioned by him under Article 19. The exchange accounts are each posted from the accounts of both the original and responding officers and are closed to balance.

1. A copy of the Central Journal and Ledger when closed is sent to each Audit Officer who should see that his own closing balances agree with those in the Central Ledger. In the case of Railway Audit offices this comparison is done by the Accountant General, Railways.

22. No amounts may be written-off from balanced heads to "Government," either upon the Local or upon the Central Books, without a specific order of the Auditor General, and then only on the ground that the error is one of book-keeping only. Such amounts should not be debited or credited to a service head as loss or gain to Government.

1. These written-off are shown in a separate entry (under the Head 'Government') in the annual reviews of balances referred to in Articles 23 and 24.

23. Each Audit Officer is responsible for maintaining, either in his own office or in the office of some officer rendering accounts to him, the details of the amounts due to or by Government, working up to the balances on his own books. He is further responsible for reviewing these balances in the manner laid down in chapter 13, at the end of each year and for submitting a copy of his review to the Auditor General.

1. Railway Audit Officers submit their review through the Accountant General, Railways.
2. Reports on balances of remittance heads are also sent to the Auditor General; see Article 101.

24. The Auditor General after closing the Central Books draws up a report :—

- (1) Agreeing the technical record of the books with the published Finance and Revenue Accounts.
- (2) Reviewing and summarising the reports of the Audit Officers in respect of balances of debt heads, and completing the examination so far as it relates to subjects (*e.g.*, Public Debt) in his own immediate charge.
- (3) Examining with the aid of the lists of outstandings of the Exchange Accounts the balances recorded in the Central Accounts under Exchange Account heads.

Under Rule 21 of Auditor General's Rules this report is sent to the Governor General in Council for submission to the Secretary of State in Council, and is printed as part of the annual volume of the Journal and Ledger.

Pro formâ Accounts.

25. As explained in Article 142 of the Audit Code, the Government system of accounts is not suitable for undertakings of a *quasi*-commercial character of which it is necessary to determine the financial results or the profit or loss. In such cases, these accounts are kept on a *pro formâ* basis. The general rules governing the maintenance of accounts of Government commercial undertakings are given in chapter 2. Rules pertaining to the capital and revenue accounts of Government residences and of administrative accounts of irrigation, navigation, embankment and drainage works are given in chapters 16 and 17. The general rules relating to *pro formâ* accounts of the Public Works Department are given in chapter XXI of the Public Works Account Code. In cases where no detailed instructions exist for maintaining any class of *pro formâ* accounts, the detailed rules required for the purpose should be framed by the Audit Officer with the approval of the Auditor General.

New Returns.

26. No requisition for submission to an Audit office of new account returns should be issued by the Accountant General without reference to the Auditor General and if the requisition is to an officer not under the control of an

Accountant General the views of the local authorities thereon should first be obtained.

Miscellaneous.

27. All communications on matters affecting the classification of receipts and charges, and on forms and procedure relating to accounts should always be addressed to the Auditor General.

1. Direct correspondence with the Auditor General by the Controllers of Military Accounts, or Railway Audit Officers, is permissible on routine matters only. On all other matters the Military Accountant General, or the Accountant General, Railways, should be addressed.

28. References in connection with subjects under the administration of the Controller of the Currency should ordinarily be addressed by the Civil Accountants General to the Controller of the Currency, *vide* Article 8 of the Audit Code.

1. In Madras and Burma the Accountant General is also entrusted with the duties of the Deputy Controller of the Currency.

Chapter 2.—General Principles of Accounts of Government Commercial Undertakings.

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Introductory.

29. When the transactions of a *quasi*-commercial undertaking, not pertaining to a commercial or *quasi*-commercial department (Article 145, Audit Code), are such as to necessitate the supplementing of the ordinary record of its transactions in the public account by the maintenance of suitable subsidiary and *pro forma* accounts, the procedure observed is subject to the general rules of this chapter, which may not be deviated from without reference to the Auditor General. See also Article 143 of the Audit Code.

1. The rules in this Chapter can be made applicable to a commercial undertaking only with the specific sanction of the Auditor General. See also Rule 1 to Article 40

Expenditure.

30. The gross expenditure of the year which comprises charges enumerated below should be covered by an appropriation sanctioned by competent authority :—

Charges on Capital account (under an expenditure minor head “ Investments in Government commercial undertakings ” opened under a suitable major head in the Capital or Revenue section of the public account).

Losses (if any) on Revenue account (under an expenditure minor head “ Losses on Government commercial undertakings ” opened under a suitable major head in the Revenue section of the public account).

31. The amount allotted for the gross expenditure of the year may be placed, in lump or piecemeal, at the disposal of the disbursing officers concerned, by credit to one or more Personal Ledger Accounts sanctioned for the purpose, *vide* Article 195(b) (ii) (3) of the Civil Account Code.

Receipts.

32. All receipts realised should be paid into the treasury. Receipts of the classes enumerated below, should be paid into the credit of the Personal Ledger Account :—

- Receipts on Capital account other than recoveries of capital charges.
- Recoveries of working expenses and maintenance charges.
- Other receipts on Revenue account.

Receipts representing recoveries of capital charges should be paid to the credit of Government under a receipt minor head "Recoveries of investments in Government commercial undertakings" to be opened under the receipt major head corresponding to the expenditure major head opened for the charges on Capital account.

Classification of Receipts and Expenditure.

33. In the public account, the sums made available for expenditure, and the collections received in the treasury will thus appear in lump sums without any details, as all the necessary particulars will be recorded in the *pro forma* accounts. The amounts credited by Government to the Personal Ledger Accounts should be charged off to the head "Investments in Government commercial undertakings". Receipts should, however, be classified in accordance with the rule in Article 32.

Book Transfers.

34. Whenever debts due to or by the undertaking are settled by a transfer entry or exchange account transaction through the books of the Audit office, the credits and debits to the undertaking should be taken direct to the Personal Ledger Account at the treasury, both the Treasury Officer and the executive officer of the undertaking being informed at once. Transactions affecting the heads "Investments in Government commercial undertakings" and "Recoveries of investments in Government commercial undertakings" may, however, be brought to account directly under these heads in the Audit office, the executive officer of the undertaking being given a suitable intimation at once.

Lapse of Appropriation.

35. The appropriation for a year, being for the actual expenditure of the year, lapses on 31st March (*vide* Article 197 of the Audit Code).

Pro forma and subsidiary Accounts.

36. All the liabilities and assets of the undertaking for the period ending 31st March should be brought into the accounts of the undertaking as soon thereafter as possible, so that the resultant settlements with the public account may be effected in the accounts of the year before they are closed.

37. A Balance sheet of the undertaking should be compiled at least once a year, and after the working or revenue account of the undertaking is opened a Profit and Loss account should also be compiled whenever a Balance sheet is prepared. See also Articles 142 and 143 of the Audit Code.

38. In order to maintain true accounts of the cost of the undertaking, it will be necessary, according to the circumstances of each case, to provide, in the *pro formi* accounts, for certain indirect debits or credits to the undertaking. For instance, the undertaking may be charged with (1) cost of management, supervision, etc., (2) cost of audit, (3) depreciation of property, (4) interest charges, etc., and provision may be made, in the rules, for the levy of percentage or other charges by credit to the undertaking. These transactions should not appear in the public account in any form.

39. Similarly, the credit transactions of the undertaking with departments of the Administration, or with the public will necessitate operation on certain ledger accounts; but, these transactions will not appear in the public account except to the extent necessary under Articles 30 to 34.

Audit Procedure.

40. The *pro formi* accounts referred to in Article 37, as well as any subsidiary accounts of transactions which may be maintained, should be subjected to a suitable audit check, locally or centrally as may be convenient. In determining the audit procedure to be observed, it should be borne in mind that the procedure prescribed in Articles 31, 33 and 34, for recording in the public account the charges under the heads "Investments in Government commercial undertakings" and "Losses on Government commercial undertakings" does not secure any audit check of the charges beyond watching them against appropriation. It is essential, therefore, that the remaining audit checks should be applied fully to the actual transactions of the undertaking, and that, if the circumstances of the case demand, the audit should be conducted at the spot, or of a monthly or at intervals which are not

1 The system of accounts to be observed and the audit procedure to be followed, should be explained to the Auditor General when applying for the sanction required under Rule 1 to Article 24.

Profit or Loss.

41. As soon as a periodical Profit and Loss account has been compiled and audited, the resultant profit or loss, as the case may be, should be incorporated in the public account, the adjustments being made as shown below:—

- (a) The amount of the profit should be taken to the head "Profits from Government commercial undertakings" by charge to the Personal Ledger Account at the treasury, both the Treasury Officer and the executive officer of the undertaking being informed at once.

(b) The amount of the loss should be adjusted in one of two ways, as may be decided in each case :—

(i) By credit to the Personal Ledger Account at the treasury and charge to the head "Losses on Government commercial undertakings."

(ii) By charge to the head "Losses on Government commercial undertakings" by a distinct deduct entry below the head "Investments in Government commercial undertakings," thus :—

Name of head.	Amount.
	R
1. Investments in Government commercial undertakings	10,00,000
2. <i>Deduct</i> —Taken in adjustment of losses	50,000
	<hr/>
Net	9,50,000
	<hr/>
3. Losses on Government commercial undertakings	50,000
	<hr/>

Reconciliation.

42. The public account for a year will thus exhibit merely the following figures :—

- (a) Sums invested in the undertaking during the year, with a reduction made therein, if so ordered by competent authority, on account of a loss.
- (b) Profit or Loss of the year charged to the Personal Ledger Account at the treasury.
- (c) Loss of the year, if made good by credit to the Personal Ledger Account at the treasury under the orders of competent authority.

These figures, though sufficient for the purpose of exhibiting the effect of the transactions of the undertaking on the public account, will give no indication to the tax-payer of the growth, or otherwise, of the assets and liabilities of the undertaking, or of the financial results of its working from year to year. For instance, the capital account of the undertaking will not be represented by any one or more of these figures. The public account has, therefore, to be supplemented by the *pro formâ* accounts referred to in Article 37, which will not appear in the body of the Government accounts but may be published as an appendix to them.

43. The *pro formâ* accounts should, however, be so maintained as to facilitate the reconciliation, at least once a year, of the figures recorded in the

Review.

44. The *pro formâ* accounts prepared periodically should be reviewed by the Accountant General, and annually a collective report on the accounts of all Government commercial undertakings should be prepared by him for submission to the local Government and the Auditor General.

Chapter 3.—General Rules and Principles of Accounts with other Audit Circles.

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Introductory.

45. The rules regulating the conditions under which one Government or department may transfer any receipts or expenditure to another for adjustment in its books are given in Articles 33A and 110 of the Civil Account Code, Volume I, and Article 181 of the Audit Code.

46. Such transfer is effected (i) by classifying the transactions under the relevant head of account as given in Appendix 7 of the Audit Code, and (ii) by sending an account of the transactions, month by month, to the other party for incorporation in his own accounts.

47. The accounts referred to in Article 46(ii) above are of two kinds :—

- (a) Those which can be settled only by actual recovery of the net debit or payment of the net credit, *e.g.*, with Foreign States or other bodies whose finances are independent of those of the Government of India. These accounts are of the nature of advance accounts only, though they are sometimes called "Accounts Current."
- (b) Those in which no actual recovery or payment is required, *e.g.*, with Governments and Departments whose accounts come within the same system of account. In such cases, debits by A to B are set against the credits by B to A in the Central Books of the Auditor General. Such accounts are sub-divided into three classes :—
 - (i) accounts between Audit circles which exchange accounts direct with each other (*vide* Article 60),
 - (ii) accounts between Audit circles which exchange their accounts through another Audit circle with which both parties are in direct account (*vide* Article 131), and
 - (iii) accounts between Audit circles which have no exchange accounts with each other, but which adjust their transfer transactions through a central account (*vide* Article 67).

(i) and (ii) above are known as Accounts Current and (iii) is called Central Adjusting Account.

There is also another class of transfers in respect of cash remittances between different provinces. Though each Accountant General exchanges accounts direct with all other Accountants General cash remittances for the sake of convenience are not passed through such exchange accounts. As regards cash remittances both accounting officers operate on the head "Foreign Remittances." The adjustments under this head are watched by the Controller of the Currency who renders an account of all such remittances to the Accountant General, Central Revenues.

Inter-provincial and Inter-departmental Adjustments.

48. In cases of service rendered or stores supplied by one province or department to another for which adjustment in account is permitted, the serving province or department should take credit in its accounts by debit to the province or department served. The debit should at once be accepted in the account of the latter and adjusted to its proper head of account.

1. Debits and credits adjustable in the accounts of Forest Officers are dealt with in the manner prescribed in Article 706 of the Audit Code.

49. Railway debits for amounts due on warrants and credit notes should be accepted in full in the accounts of the month in which they are raised, in the Railway Exchange Accounts, without reference to the issuing officers whose signature on such warrants or notes should be taken as final, subject only to readjustment, later on, of under or overcharges. The Railway Audit Officer will be primarily responsible for the audit of the charges with reference to the Railway Tariffs, etc., and the responding officer for the proper scrutiny with reference to the propriety of the charges as against the head of service concerned.

50. The adjustment of the cost of supplies by the Military and Railway Departments will be made by the Civil Accountant General concerned, on receipt of the Exchange Accounts from those departments for the month in which the transactions are recorded; similarly, the adjustment of the cost of supplies by the Mathematical Instrument and Survey Departments will be made by the Audit office concerned on receipt of the Exchange Accounts from the Accountant General, Central Revenues, and the same procedure applies when stores or instruments are returned.

51. A responding debit or credit (*vide* Rule 1 below) should not, ordinarily, appear in accounts, in anticipation of the original credit or debit in the accounts of the other party. But any two Audit Officers may arrange in respect of any particular class of transactions, to afford credit in advance of the debit or *vice versa*, care being taken to prevent double adjustments. Debits on account of rents realised, on behalf of the Public Works Department,

by disbursing or Audit Officers of other circles of audit, may be raised in anticipation of the corresponding credits, provided that they are supported by certificates in P. W. A. Form 48 (Statement of Rents recoverable from Pay Bills) signed by those officers.

1. An original entry is one in connection with which cash is either received or paid, or for which a transfer adjustment is made on account of stores or labour supplied, and may also be a write back. A responding entry is a response to an original entry and may also be a write-back.

52. Except as provided for in Rule 2 to Article 278 of Civil Account Code, Volume II, net payments only should be entered in the account passed on to the other party.

1. The total credits and debits in an account current must correspond with the entries in the Consolidated Abstract and the Ledger. No differences should on any account be allowed and if any occur they should be investigated and reconciled.

53. When a charge is paid in one department, and passed on in account current to be adjusted in another, the paying department is responsible that it obtains a voucher which is correct in point of form, and sets forth the charge with sufficient detail and clearness, and that the calculations in the bill are arithmetically correct. The Audit Officer of the adjusting department is responsible for auditing the charge to ensure (1) that it is a proper charge against a work, office, or other item of expenditure under his audit, and (2) that it has been duly sanctioned. It is not necessary for him to check the arithmetical calculations of the vouchers.

1. In a few cases for convenience the audit of charges is carried out by the Audit Officer.

54. The adjusting department may not reject an item because the voucher is not in order, or wanting; it should be accepted and adjusted, but placed under objection. The chief question for the auditor is: Does the entry properly belong to the accounts of this office? and if, on the face of the account, he cannot say that the item is not adjustable in the books of his province, he will accept it and adjust it against the proper service head; though if it be imperfectly vouched or described, or seem rather to belong to another province, he will enter it in the outgoing Objection Statement, as prescribed in Article 88, or, if necessary, address the disbursing officer direct.

55. If, as in the case of supplies received from another department, the admissibility of the item depends upon the authority possessed by the officer, at whose instance the supplies have been received, to order the supplies, the charge, though adjusted against its proper service head as one which has actually occurred, should be examined with reference to the authority or sanction required, and, if necessary, placed under objection in the same way as if the charge had been met by an actual payment by the officer concerned.

Accounts with Foreign States.

56. The transactions with the following Colonies and Indian States should be passed on to the Accountants General noted against each to enable that officer to settle the account with the States concerned. See also foot-notes to the Central Ledger Head "Accounts with Foreign States" in Appendix 7 of the Audit Code.

Name of Foreign State.	Name of Accountant General with whom the State is in account.
His Majesty's Colonial Government, Ceylon . . .	Accountant General, Central Revenues.
" " " Mauritius . . .	
" " " Straits Settlements	
" " " Hong Kong . . .	
" " " Federated Malay States.	
" " " Kedah . . .	Accountant General, Madras.
Netherlands Government	
Indian State of Mysore	
Indian State of Kashmir	
Indian State of Hyderabad	
Indian States not specifically mentioned above . . .	Accountant General, Central Revenues.
	Accountant General of the Government with which the State is in political relation.

57. The Accountant General who is in account with any Foreign State should debit or credit the Local Ledger Head concerned, subordinate to the Central Ledger Head "Accounts with Foreign States" under "P.—Deposits and Advances," with the amount to be adjusted with that State. After closing the month's accounts, an abstract of the account with each such State should be sent to that body in such form and in such details as may be settled mutually. It is, however, of great importance to obtain a formal acceptance of the account from such a body and to ensure the prompt settlement of the account.

1. Where deductions made from a voucher pertaining to a Foreign State are creditable to the Central or a provincial Government, the debit to the Foreign State should always be for the gross amount.

Account Current.

General.

58. An Account Current purports to be an extract from the books of the officer who despatches it, and to show the amounts he has passed to debit or

credit of the other party to the account, with any necessary explanations of the credits, and with documents supporting the debits.

1. As an account current is an extract from books which are only posted monthly, it is evident that an account current can only be sent monthly, and that supplementary statements

includes the responses to the preliminary inward accounts.

59. The routine of an Exchange Account current is as follows : A, in his accounts, debits a certain charge to "Account current between A and B" and sends an extract from his accounts, including this charge, to B; B, accepting the charge, debits it to its proper head by credit to "Account current between A and B," and sends an account, including this credit, to A; no further entries in account are required to complete the transaction. But if A, after debiting B, discovers that the charge should be debited elsewhere, he will in his next account, debit the proper account by credit to "Account current between A and B," thus cancelling the original debit raised by him. It may happen that B may credit A in the same month in which A debits B. In this case the two original entries will answer each other, and no further adjustment will be required.

60. The following is a list of authorised Accounts Current :—

Accounts between Civil and Civil	Each Civil Accountant General with each other Civil Accountant General
Accounts Current between Civil and Posts and Telegraphs	Each Civil Accountant General with the Accountant General, Posts and Telegraphs.
Accounts Current between Civil and Marine	Each Civil Accountant General with the Controller of Marine Accounts.
Accounts Current between Civil and Railways	Each Civil Accountant General with Railway Audit Officers noted against his name in Annexure A to Chapter 7.
Accounts Current between Civil and Military	Each Civil Accountant General with each Controller of Military Accounts, the Controller of Military Supply Accounts and the Controller of Royal Air Force.
Accounts Current. between Military and Military	Each Controller of Military Accounts with (1) the Controller of Military Supply Accounts, (2) the Controller of Royal Air Force, and (3) each other Controller of Military Accounts.
Accounts Current between Military and Marine	The Controller of Military Supply Accounts with the Controller of Marine Accounts.

1. Railway Audit Officers exchange lists of transfers with each other.

61. The heading or name of each Exchange Account is fixed and remains the same whether it appears on the books of one party to the account or on those of the other party; thus the account which is exchanged between the Accountant General, Central Revenues, and the Accountant General, Bombay, is called "Exchange Account between Central Revenues and Bombay" and never "Exchange Account between Bombay and Central Revenues," the

Central Revenues side is the first side of the account and the Bombay side the second side.

Restrictions.

62. The general rule is that no item of receipt or payment should appear in an Exchange Account Current when no change in incidence is involved. Thus if an officer of the Customs Department in Bombay draws his leave salary in Madras, the charge should be finally adjusted in Madras Books, the head "Customs" being "Central" everywhere. Similarly if interest on Debt of Central Government is paid in any province, the payment will be adjusted finally on the books of the local Accountant General. But if a receipt is received or payment is made by one provincial Government on behalf of another such Government, the receipt (or charge) should be transferred to the Accountant General of that Government. Except in the cases noted below all transactions pertaining to the Central Government should be adjusted in the central section of the books of the Accountant General in whose Audit circle they are received or paid :—

- (i) Transactions pertaining to Railways, Military (including Military Works), Marine, and Posts and Telegraphs, should be passed on for adjustment to the Audit Officers of those departments.
- (ii) Transactions referred to in Article 102 should be passed on through the Exchange Account to the Accountant General, Central Revenues. Receipts on account of Baragora salt, and charges for nickel coin remittances should be similarly passed on to the Accountant General, Bombay. In these cases, it has been considered necessary to bring upon a single account the transactions of the whole of India.

1. In respect of exchange account of Baragora salt, a monthly schedule showing the details

receipt of their Exchange Accounts. The Accountant General, Bombay, also furnishes the Chief Account Officer of Customs, Salt and Opium, Bombay, with a consolidated monthly statement showing in detail all the receipts on account of Baragora salt brought to credit in his books during the month.

2. The procedure relating to the adjustment of charges for bronze and copper coin remittances (*vide* Article 112) with the Accountant General, Central Revenues, applies *mutatis mutandis* to the adjustment of charges of nickel coin remittances with the Accountant General, Bombay.

3. The payment of the outturn certificate of the Bullion value of cut coins remitted by Railway Companies to the Mint will be debited by the disbursing Accountant General, in his Exchange Account with the Accountant General, Central Revenues, or the Accountant General, Bombay, according as the certificate is issued by the Mint Master, Calcutta or Bombay.

Form of Account and Procedure.

63. The form of Exchange Accounts Current between Civil and Civil, Civil and Military, Civil and Railways, Civil and Posts and Telegraphs, and between England and India is stated in Chapters 4, 6, 7, 8 and 9 respectively. The instructions in Chapter 4 regarding the procedure observed in Civil Audit offices, in respect of "Accounts Current between Civil and Civil" apply generally to the treatment of all Accounts Current, special rules applicable in any case being given in the special chapter relating to the Exchange Account concerned.

Watching of Adjustments.

64. Both Audit Officers, between whom an account is exchanged, are equally responsible for clearance of each item passing through it (vide Article 75) and both should keep a watch over the progress of adjustment on the plan prescribed in Articles 99 to 101 for Accounts Current between Civil and Civil. Objections should be intimated by one party to the other in the manner laid down in Article 88.

1. Under the special features of Accounts Current between Civil and Posts and Telegraphs, vide Chapter 8, the duty in respect of Progress Registers as laid down in Articles 99 to 101 devolves only on the Accountant General, Posts and Telegraphs.

2. In respect of Accounts Current between Civil and Railways, Railway Chief Auditors submit their annual consolidated Abstract of the Progress Register (Article 101) to the Auditor General through the Accountant General, Railways, who verifies them with his final accounts.

Exchange Account for March.

65. Every effort should be made to clear the Exchange Account items within the year of account. The Objection Statements (Article 88) must be despatched promptly after receipt of the preliminary account for March, and the objections must be promptly answered: any new items which may come to light should be made the subject of correspondence; but no Accountant General may make an adjusting entry on account of an item mentioned in correspondence, in anticipation of its appearance in an Exchange Account, unless the other officer states distinctly that it will appear in his account. The final Exchange Account need not detail the items of the preliminary account, but must open with its gross debit and gross credit.

66. The Preliminary March Accounts should be despatched on the same dates as are prescribed for other months and the transactions should be completely adjusted by the 15th of July, on which date the Controllers of Military Accounts, the Controller of Military Supply Accounts, the Controller of Marine Accounts, and the Accountant General, Posts and Telegraphs, should despatch their final March Accounts. Railway Audit Officers close their books on the 10th May. The final accounts of these departmental officers with each other should include responding entries only, and no original entries, except with the consent of the other party to the account: but in their final account with Civil Accountants General original entries may, if necessary, be included

The final March Accounts of Civil Accountants General should be despatched on the 10th August, and these accounts, should not include any but responding entries, or entries mutually agreed on.

Central Adjusting Account.

67. There is no Exchange Accounts Current between the Audit circles noted below. Debits and credits arising between these circles are therefore passed through the Central Adjusting Account (see Article 47).

Between Military and Railways.

Between Military and Posts and Telegraphs.

Between Military (except the Controller of Military Supply Accounts) and Marine.

Between Railways and Posts and Telegraphs.

Between Railways and Marine.

Between Marine and Posts and Telegraphs.

The Auditor General watches the adjustments of the transactions under this head and takes the necessary steps for the settlement of all outstandings. The detailed procedure prescribed by the Auditor General in respect of this account is given in Appendix 2.

PART II.

Accounts Current.

Chapter 4.—Accounts Current between Civil and Civil.

Introductory 68 Form of Account 69 Due Date 74 Disposal of Account 75 Objections 83 Advances and Suspense Items 90	Adjustment Register of Public Works Items 91 Progress Register 99 Classification of Civil Exchange Accounts Annex. A
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Introductory.

68. The instructions in this chapter relate primarily to the procedure observed in Civil Audit offices in respect of accounts exchanged with other Civil Audit offices; but they apply generally to the treatment of Exchange Accounts in all Audit offices.

1. The special procedure applicable to the outward account sent to the Accountant General, Central Revenues, is described in Chapter 5.

Form of Account.

69. An Exchange Account contains two kinds of items, viz.:—

1st.—Transactions of which the Audit Officer receiving the account obtains information through another part of his accounts also, e.g., a remittance of money by one accounting officer to a treasury subordinate to another, cheques drawn by Railway and Military Departments on Civil treasuries, and payments into treasuries by accounting officers of these departments. The special arrangements for “Foreign Remittances” have practically superseded heads I and II (Article 70) in accounts between Civil and Civil except in the cases of cheques drawn on Civil treasuries by Public Works and Forest Officers in account with another Accountant General and payments into treasuries by such officers.

2nd.—Transactions of which the Audit Officer receiving the account gets no information, except through it, and which he has therefore to deal with when he receives it, e.g., payments and receipts

by one Accountant General on account of another, which the latter must, on receipt of the Exchange Accounts, bring within his own accounts.

70. A Civil Exchange Account, therefore, is classified under four chief heads (though heads I and II are not used in all cases) as follows (taking, by way of example, the account between the United Provinces and Punjab):—

Of the first kind	{ I. Remittances to United Provinces from Punjab.
	{ II. Remittances to Punjab from United Provinces.
Of the second kind	{ III. Items adjustable by United Provinces.
	{ IV. Items adjustable by Punjab.

For further classification see Annexure A.

1. The classification of Exchange Accounts under four heads is intended only as a convenient working arrangement, and should not be understood as implying any division of responsibility (see Article 75).

71. Every Exchange Account will be in the following form, and should be printed on foolscap paper, the example taken being that of the outward account from Punjab to United Provinces.

Exchange Account between United Provinces and Punjab for the month of.....

Punjab side.	Receipts.	Outgoings.
Opening balance, reckoning from April 1st		
I. Remittances to United Provinces from Punjab (Schedules A and B).		
III. Remittances to Punjab from United Provinces		
III. Items adjustable by United Provinces (Schedules C and D)		
IV. Items adjustable by Punjab		
TOTAL		
Balance carried forward to next account		
GRAND TOTAL		

72. There will be four schedules attached to each Exchange Account, namely :—

A.—A schedule, in Form 4, giving details of debits under head I or II (as the case may be), *viz.*, remittances to the Audit Officer receiving the account.

B.—A schedule, in Form 4, of credits under head I or II. In the case of remittances of Public Works and Forest Officers (*vide* Article 69), this schedule is prepared in respect of remittances received at treasuries from these officers. In the case of other remittances, this schedule is, for the most part in respect of writes-back of debits.

C.—A schedule in Form 5, of debits under head III or IV, as the case may be, viz. items payable by the Audit Officer on account of the account.

D.—A schedule in Form 5, of credits under head III or IV.

1. In respect of transactions into transactions by Public Works (Muz) and by another Accountant General, both the receiving and the paying parties are required to prepare schedules under this Article. It is open, however, to either party, at the request of the other, to dispense with the schedule of debits required to be prepared by the receiving party, provided that the Audit Officer of that province is satisfied, on the basis of the office all discrepancies that the examination of the schedule of credit received from the latter may bring to light, with Article 60, Audit Code.

2. Head IV in this case contains the adjustments made by Punjab of items which, on the first side of the account, namely, the inward account from United Provinces are shown under IV.—Items admissible by Punjab, and as the entries under this head only being payment and pending adjustments only, there is no occasion for giving details.

3. Write-back of debits or credits made in a former month under head III will of course be made under head III.

73. The prescribed classification of transactions of the Exchange Accounts between Civil and Civil is set forth in the annexure to this chapter. With the exceptions stated below, all transactions should be detailed in the schedules, the items being arranged in accordance with the prescribed classification:—

- (a) In the case of cheques and remittances of Public Works Officers, it is sufficient to state, in Schedule A or B, as the case may be, the amount paid or received at each treasury on account of each Public Works division. Treasury consolidated receipts should accompany the schedules, but it is not necessary to forward paid cheques.
- (b) Public Works outward items which represent transactions for which Advances and Acceptances of Transfer (P. W. A. Forms 55 and 56) are exchanged direct by Divisional Officers of the two provinces, should be detailed in a list of Advances of Transfer, Form 6, separately for debits and credits, and in Schedule C or D, as the case may be, only the total of the list should be shown, as a single entry.
- (c) Public Works outward items which represent charges for work done should be supported by certificates in the form prescribed in Articles 614 and 615 of the Audit Code except in the case of certain works of other departments which are executed as a standing arrangement and in respect of which the Accountant General acts as a sub-Audit Officer of the Audit Officer of the department concerned (*vide* Article 614 of the Audit Code). Items of the latter class should be shown as a single entry in the schedule, supported by a subsidiary schedule giving such details as may be required by the Audit Officer concerned.
- (d) Public Works outward items which represent receipts realized, as a standing arrangement, on behalf of the departments referred

to in clause (c) above, should also be shown as a singly entry in the schedule, supported by a subsidiary schedule giving such details as may be required by the Audit Officer concerned.

Due Date.

74. The due date for the despatch of the Exchange Account with Central Revenues is the last day of the next month, and of other Exchange Accounts, the 10th of the second month after the month for which the transactions are reported; but the final Exchange Account for March is due on 10th August. Adjustments made after the despatch of the final accounts for March are communicated to the Audit Officers concerned by means of supplementary Exchange Accounts, but schedules should be sent in advance of the account. The last of these supplementary Exchange Accounts should be despatched not later than the 10th of October. Before despatch, the account should be examined by the Superintendent who must see that the figures agree with those in the books, that all necessary explanations are given, and that all documents are attached, or their absence explained and the necessary action taken.

Disposal of Account.

75. Both parties to an account will be equally responsible for the adjustment and clearance of each item passing through it. Thus the Audit Officer who sends out the account must, in the case of items falling under heads I and III, if his account is the second side, or in the case of those under heads II and IV, if it is the first side, not only state the items correctly and be prepared to give any information required regarding them but must also keep a careful watch over all outstandings and press the other party for their speedy adjustment. The receiving Audit Officer, on the other hand, is directly responsible for the speedy adjustment of all items passed on to him, and if he finds any item which in the case of head I or II he cannot trace, or in the case of head III or IV which he is not prepared to accept and respond to, he must induce the other party to write back the original credit or debit. If the matter cannot be settled by correspondence, a reference should be made to the Auditor General; but until the item is adjusted by the receiving officer or written back by the originating officer, both parties remain equally responsible for the outstanding.

1. To enable an originating officer to ascertain whether an item passed on by him under

standings, as worked out in the progress register, represent a large amount.

2. In respect of items adjustable in the accounts of Public Works Officers the rule in this Article is subject to the provisions of Articles 91 *et seq.*

3. In respect of remittances into treasuries made by Public Works Officers who are in account with another Accountant General, the rule in this Article is subject to the qualification that, as in respect of cheques of such officers, the primary responsibility for watching the clearance of transactions devolves upon the Accountant General who audits the accounts of the Public Works Officers concerned.

76 Items shown under "Remittances to" and "Items adjustable by" other Provinces and Departments should not be written back without the previous consent of the Province or Department concerned. Errors committed in crediting or debiting amounts to heads I to IV should be rectified by addition or deduction, as the case may be, and not by a transfer entry.

77. In the case of items under head I or II, the credits will usually be known before the debits appear in the Exchange Account. The procedure for watching the adjustment of transactions, under these heads, of Public Works Officers who are in account with another Accountant General, is described in Articles 695 and 696 of the Audit Code. To watch the adjustment of transactions of other classes, the credit in each outward account should be posted in a register in Form 7.

78. The serial numbers in this register should run on from month to month, and sufficient space should be given to each item to note several successive adjustments or quotations of correspondence.

79. The Superintendent must initial the monthly total in the register after agreeing it with that of the schedule accompanying the outward account, and see that the corresponding entries from the inward accounts are also posted into the register. If any differences are noticed, necessary action should be taken.

80. In the case of transactions under head III or IV, as the case may be, the items of the inward account will be posted individually, in consecutive order, in two adjustment registers, Form 8, for credits and debits, respectively.

81. Immediately on receipt of the inward account, items which are adjustable in Public Works divisional accounts but have not been included in the Lists of Transfer Advices [Article 73 (b)] received with the exchange account, should be marked and full particulars thereof (including the month and item number of the exchange account) should be intimated, in suitable form, to the Divisional Officers concerned for adjustment. At the same time, the audit sections concerned should be required to audit and classify such of the other charges and credits as are not adjustable in Public Works Officers' accounts. As soon as this is done (in any case not later than 10 days after the receipt of the inward account in the office), the Inward Adjustment Register, Form 8, should be posted. All Public Works items should be entered in the first of the columns headed "Omitted," and transferred to the special adjustment register for such items (*vide* Article 92). The remaining items should be posted as follows:—

- (a) All deductions from vouchers on account of Income Tax, Fund and other recoveries should be shown in column 1.
- (b) If the response to any item has already appeared in an outward account, the inward debit or credit, as the case may be, should be shown in red ink in column 8.
- (c) If the response has not already appeared in an outward account and the item is susceptible of adjustment, even though it cannot

be treated as finally disposed of, it should be entered, with necessary particulars, in columns 5 and 6, but if the debit or credit is a *minus* amount, it should be omitted from the proper register (debit or credit) by an entry in column 8 and brought on the register of the opposite side (credit or debit) by an entry of adjustment in columns 5 and 6 thereof.

- (d) Items which cannot be finally disposed of, even though adjusted, should be placed under objection (*vide* Article 88), "Items rejected" being distinguished from "items accepted but awaiting clearance," and items of the former class being entered in column 9.

82. The entries should be initialled by the Examiner after the vouchers or lists which require examination or audit or comparison have been finally disposed of, or the amounts entered in the Objection Book and the Special Adjustment Register for Public Works Items, Form 10.

83. Before passing the Inward Adjustment Registers, the Superintendent should see—

- (1) that the totals in columns 7 and 9 agree with the corresponding figures in the Special Adjustment Register of Public Works Items and the Objection Book respectively ;
- (2) that *minus* entries of the inward account have been correctly posted in both the debit and credit adjustment registers [Article 81 (c)] ;
- (3) that the total of "adjusted" and "omitted" items is equal to the total of the inward account after allowing for (i) the deductions shown in column 4 and (ii) the *minus* entries of the inward account.

84. The Superintendent should then write the words "disposed of" with his initials on the inward account and file it. Care must be taken that adjustments are made only from the adjustment registers, and not from the exchange account itself or any other document.

85. An arrears adjustment, that is, an adjustment of an item rejected, or outstanding from a previous account should be entered in the register in continuation of and below the total of the current month's adjustments, the name of the month in which it originally appeared being noted in the first column.

86. The grand total of the register will then be made and the amounts entered in the column "Adjusted" will be posted into the Exchange Account Abstract by each adjuster. When there is more than one amount under the same detailed head, the figures should first be posted at foot of the abstract. For this purpose as much space must be left at foot of each page of this abstract as there is in the District Classified Abstract.

87. The Exchange Account Abstract will be totalled and made over to the Compilation Department when all the Exchange Account adjustments of the month have been posted in it and examined.

Objections.

88. Every item which is not finally disposed of will be entered in an Objection Statement and Objection Book, the former being similar in form to that prescribed in Chapter 42 of the Audit Code, but it will contain only four money columns for items under objection, viz., for debits and credits under the two heads, "Items accepted but awaiting clearance," and "Items rejected." For objections relating to Public Works items see Article 95.

1. The debit items should be entered first and after them the credit items.

2. At the beginning of each Objection Statement, and in the Objection Book, should be entered the serial numbers of (a) the non-Public Works items of previous months still outstanding, and (b) Public Works items to end of the second previous month still outstanding. Items of class (b) should be marked R., A C. and N R., to indicate respectively, (1) items definitely rejected, (2) items responded to but awaiting clearance, and (3) items not responded to, being still under examination.

89. An adjustment register, corresponding to the Objection Book, will be kept in Form 9 and worked on the plan described in Chapter 12 of the Audit Code.

Advances and Suspense Items.

90. No "Advances Recoverable" or other "Suspense" item should be left outstanding under the Exchange Account, pending recovery. It should be adjusted to the appropriate *debt* head and must be entered in the Objection Book of the district concerned (see Audit Code, Articles 779 and 782). If any such item is not assignable to a particular district or districts, it should be taken into the headquarters Objection Book.

Adjustment Register of Public Works Items.

91. Items of the inward exchange account which are adjustable through Public Works divisional accounts are of two classes :—

- (1) those for which Advices and Acceptances of Transfer (P. W. A. Forms 55 and 56) are exchanged direct between Divisional Officers of the two provinces under the rules in Chapter XVI of the Public Works Account Code, and
- (2) all other items, whether representing transactions between two Public Works Officers or those between a Public Works Officer and an officer of another department.

92. All these items, when excluded (Article 81) from the Inward Adjustment Register, Form 8, should be brought on to Part I (Register of Items awaiting Response) of Form 10, the special Adjustment Register for Public Works Items. Items included in the Lists of Advices of Transfer [Article 73 (b)] received with the exchange account should be detailed individually and not treated as a single item as shown in the exchange account. *Minus* debits or credits should be posted as *minus* items in the debit or credit register as the case may be.

93. From the divisional Schedules of Remittances for debits or credits, as the case may be, should be posted Part II of this register, and the total of the month's postings should be agreed with the corresponding figures in the Detail Book.

94. Each item entered in Part II for the month should next be traced in Part I for the same and previous months, and particulars of its response should be recorded in the columns provided for the purpose in that Part. An Abstract should finally be prepared in a suitable form similar to Audit Code Form 81.

95. Items which Divisional Officers are unable to accept, and which have therefore to be rejected, should be entered, as soon as the objection is known to the Audit office, in a supplementary (Public Works) section of the Objection Book and of the Objection Statement referred to in Article 88, an entry being made simultaneously in columns 9 and 10 of Part I of the register in Form 10. Items thus objected to will continue to be included in the "Unresponded balance carried forward" of Part I, until either withdrawn by the originating province or responded to, on reconsideration, by the Divisional Officers concerned.

96. If any debit or credit which has been rejected is eventually withdrawn by the originating province, the *minus* debit or credit which will appear, in rectification of it, in a fresh account, will clear the item. When the *minus* debit or credit is posted in Part I of Form 10 of the month in which it appears, a red ink line should be drawn through columns 6—11, and simultaneously the name of the month of withdrawal should be noted against the original item in column 11 of Part I. But if a rejected item is ultimately responded to by the Divisional Officer concerned, it should be dealt with under Articles 93 and 94, and the fact of the withdrawal of the objection should be recorded against it by writing the word "Accepted" in red ink in column 11.

97. Items of class (2) referred to in Article 91 which Divisional Officers have responded to provisionally (*vide* paragraph 491 of the Public Works Account Code) but which cannot be treated as finally settled, should also be brought on to the supplementary section of the Objection Book and Objection Statement under "Items adjusted but awaiting final clearance" and their clearance should be watched through the Objection Book. In the adjustment register these items are treated as having been brought to account, and thus removed from the unresponded balance of the exchange account.

98. The inward exchange account clerk will receive direct from Divisional Officers (*vide* paragraph 491 of the Public Works Account Code) the earliest intimation of all objections which are to find a place in the Objection Book. As an additional precaution, he will also receive intimations from auditors of the Works Audit Department, from time to time, of any objections of this class which may come to their notice in the course of audit, *vide* Article 612 of the Audit Code.

1. The Objection Book maintained by the exchange account clerk will not indicate such

Progress Register.

99. The progress of the adjustment of each Exchange Account should be watched by means of a register in Form 11 in which the totals of the prescribed heads should be entered monthly separately for the inward and the outward accounts. The outward figures should be entered first for the twelve months and for March final and supplementary, and the inward figures should be similarly entered below them. Annual totals should be made of all the eight columns separately for the inward and the outward accounts and grand totals of the two made with opening and closing balances.

100. (a) The progress of adjustment under all heads should be watched closely, that under heads III and IV being tested in detail month by month.

(b) The unadjusted balance under heads I and II should ordinarily be small, as most of the items are cleared during the same month. The balances should, however, be tested from time to time. See also Articles 77 to 79.

(c) The normal course of the clearance of items under heads III and IV is as follows: items which are adjustable by "this office" appear in the outward account of the month following the month of the inward account, and the response to those which are adjustable by the other party should similarly appear in the inward account of the month following that in which "this office" shows them in the outward account. The exceptions to this are:—(i) the clearance of Public Works items of class (2) referred to in Article 91, which have to be intimated to Divisional Officers for adjustment in their accounts, is necessarily one month behind, (ii) Public Works items of class (1) referred to in the same Article may at times be responded to in the very month in which they appear in the inward exchange account, and (iii) as far as possible, all items should be cleared within the accounts of the year (*vide* Article 65), those which cannot be adjusted in the accounts for March in the ordinary course being brought to account in March final.

This clause is not wholly applicable to the adjustment of inward exchange accounts received from the Accountant General, Central Revenues.

101. After the March final account has been despatched, an Annual Consolidated Abstract of the Progress Register prescribed in Article 99 should be sent to the Auditor General and to the other party to the account, in Form 12, with detailed explanation of the balance outstanding under I and III or II and IV, as the case may be. A revised statement in the same form should also be sent when the books are finally closed after the Auditor General's sanction to the journal entries.

ANNEXURE A.

(*Vide Article 70.*)

The further classification of Civil Exchange Accounts is as follows:—

REMITTANCES TO—

Payment into treasuries by officers of the Public Works Department
Cheques of Public Works Department Officers

93. From the divisional Schedules of Remittances for debits or credits, as the case may be, should be posted Part II of this register, and the total of the month's postings should be agreed with the corresponding figures in the Detail Book.

94. Each item entered in Part II for the month should next be traced in Part I for the same and previous months, and particulars of its response should be recorded in the columns provided for the purpose in that Part. An Abstract should finally be prepared in a suitable form similar to Audit Code Form 81.

95. Items which Divisional Officers are unable to accept, and which have therefore to be rejected, should be entered, as soon as the objection is known to the Audit office, in a supplementary (Public Works) section of the Objection Book and of the Objection Statement referred to in Article 88, an entry being made simultaneously in columns 9 and 10 of Part I of the register in Form 10. Items thus objected to will continue to be included in the "Unresponded balance carried forward" of Part I, until either withdrawn by the originating province or responded to, on reconsideration, by the Divisional Officers concerned.

96. If any debit or credit which has been rejected is eventually withdrawn by the originating province, the *minus* debit or credit which will appear, in rectification of it, in a fresh account, will clear the item. When the *minus* debit or credit is posted in Part I of Form 10 of the month in which it appears, a red ink line should be drawn through columns 6—11, and simultaneously the name of the month of withdrawal should be noted against the original item in column 11 of Part I. But if a rejected item is ultimately responded to by the Divisional Officer concerned, it should be dealt with under Articles 93 and 94, and the fact of the withdrawal of the objection should be recorded against it by writing the word "Accepted" in red ink in column 11.

97. Items of class (2) referred to in Article 91 which Divisional Officers have responded to provisionally (*vide* paragraph 491 of the Public Works Account Code) but which cannot be treated as finally settled, should also be brought on to the supplementary section of the Objection Book and Objection Statement under "Items adjusted but awaiting final clearance" and their clearance should be watched through the Objection Book. In the adjustment register these items are treated as having been brought to account, and thus removed from the unresponded balance of the exchange account.

98. The inward exchange account clerk will receive direct from Divisional Officers (*vide* paragraph 491 of the Public Works Account Code) the earliest intimation of all objections which are to find a place in the Objection Book. As an additional precaution, he will also receive intimations from auditors of the Works Audit Department, from time to time, of any objections of this class which may come to their notice in the course of audit, *vide* Article 612 of the Audit Code.

Progress Register.

99. The progress of the adjustment of each Exchange Account should be watched by means of a register in Form 11 in which the totals of the prescribed heads should be entered monthly separately for the inward and the outward accounts. The outward figures should be entered first for the twelve months and for March final and supplementary, and the inward figures should be similarly entered below them. Annual totals should be made of all the eight columns separately for the inward and the outward accounts and grand totals of the two made with opening and closing balances.

100. (a) The progress of adjustment under all heads should be watched closely, that under heads III and IV being tested in detail month by month.

(b) The unadjusted balance under heads I and II should ordinarily be small, as most of the items are cleared during the same month. The balances should, however, be tested from time to time. See also Articles 77 to 79.

(c) The normal course of the clearance of items under heads III and IV is as follows: items which are adjustable by "this office" appear in the outward account of the month following the month of the inward account, and the response to those which are adjustable by the other party should similarly appear in the inward account of the month following that in which "this office" shows them in the outward account. The exceptions to this are:—(i) the clearance of Public Works items of class (2) referred to in Article 91, which have to be intimated to Divisional Officers for adjustment in their accounts, is necessarily one month behind, (ii) Public Works items of class (1) referred to in the same Article may at times be responded to in the very month in which they appear in the inward exchange account, and (iii) as far as possible, all items should be cleared within the accounts of the year (vide Article 65), those which cannot be adjusted in the accounts for March in the ordinary course being brought to account in March final.

This clause is not wholly applicable to the adjustment of inward exchange accounts received from the Accountant General, Central Revenues.

101. After the March final account has been despatched, an Annual Consolidated Abstract of the Progress Register prescribed in Article 99 should be sent to the Auditor General and to the other party to the account, in Form 12, with detailed explanation of the balance outstanding under I and III or II and IV, as the case may be. A revised statement in the same form should also be sent when the books are finally closed after the Auditor General's sanction to the journal entries.

ANNEXURE A.

(Vide Article 70)

The further classification of Civil Exchange Accounts is as follows:—

REMITTANCES TO—

Payment into treasuries by officers of the Public Works Department.
Cheques of Public Works Department Officers

ITEMS ADJUSTABLE BY—

- Foreign Supply Bills (drawn on—)
- Foreign Remittance Transfer Receipts (drawn on—)
- Advances Recoverable.
- Public Works Items separately listed.
- Miscellaneous.

In addition to these the following special items come under Items Adjustable by Central Revenues :—

- Charges for Remittances of Bronze and Copper Coin.
- Receipts and payments of Northern India Salt Department.
- Receipts and payments on account of the Bureau of Central Intelligence.
- Receipts and payments of Imperial Meteorological Department.
- Mint (Calcutta).
- Survey of India.
- Geological Survey.
- Archæological Survey
- Exchange on sterling transactions.
- Expenses of Governor-General, etc., on tour.
- Haulage charges of carriages of Members of the Viceregal Council.
- Receipts and charges of Baluchistan Administration (Civil).
- Simla Payments (Punjab).
- Expenses of the Deputy Auditors General for Inspection, the Examiner of Press Accounts and of the Examiner of Customs Accounts.
- Pay and leave salaries of gazetted officers of the Indian Audit Department (including Assistant Account Officers against vacancies in the General or the Public Works Lists) attached to the offices of the Civil Accountants General or to the office of the Auditor General.
- Salt Treaty Payments (i.e., all payments made on this account on authority of Accountant General, Central Revenues).
- Gwalior Residency Receipts and Charges (U. P.).
- Convict charges at Port Blair (recoveries from Indian States made at instance of Accountant General, Central Revenues).
- Central Loans
- Service Funds (see Chapter 20 of the Audit Code).
- Colonial Government, Mauritius.
 - Ditto* Ceylon.
 - Ditto* Straits Settlements.
 - Ditto* Hong Kong.
 - Ditto* Federated Malay States
 - Ditto* Kedah.
- Charges of Perso-Afghanistan Frontier, Khorasan
- Charges for organizing Imperial Service Troops.
- Central Trust Interest Account.
- Sale-proceeds of Dr. Moore's Manual of Family Medicine and Hygiene for India.
- Sale-proceeds of Tide Tables.
- Sale-proceeds of Journal of Indian Arts.
- Railway charges for distinguished visitors to India incurred under special orders of the Government of India.
- Payments by local Governments on account of the cost of the anti-rinderpest serum supplied from the Imperial Bacteriological Laboratory, Muktesar.
- Consular and Diplomatic Services in Persia.
- African Protectorates.

ITEMS ADJUSTABLE BY—

- Foreign Supply Bills (drawn on—)
- Foreign Remittance Transfer Receipts (drawn on—)
- Advances Recoverable.
- Public Works Items separately listed.
- Miscellaneous.

In addition to these the following special items come under Items Adjustable by Central Revenues :—

- Charges for Remittances of Bronze and Copper Coin.
- Receipts and payments of Northern India Salt Department.
- Receipts and payments on account of the Bureau of Central Intelligence
- Receipts and payments of Imperial Meteorological Department.
- Mint (Calcutta).
- Survey of India.
- Geological Survey.
- Archæological Survey.
- Exchange on sterling transactions.
- Expenses of Governor-General, etc., on tour.
- Haulage charges of carriages of Members of the Viceregal Council.
- Receipts and charges of Baluchistan Administration (Civil).
- Simla Payments (Punjab).
- Expenses of the Deputy Auditors General for Inspection, the Examiner of Press Accounts and of the Examiner of Customs Accounts.
- Pay and leave salaries of gazetted officers of the Indian Audit Department (including Assistant Account Officers against vacancies in the General or the Public Works Lists) attached to the offices of the Civil Accountants General or to the office of the Auditor General.
- Salt Treaty Payments (i.e., all payments made on this account on authority of Accountant General, Central Revenues).
- Gwalior Residency Receipts and Charges (U. P.).
- Convict charges at Port Blair (recoveries from Indian States made at instance of Accountant General, Central Revenues).
- Central Loans.
- Service Funds (see Chapter 20 of the Audit Code)
- Colonial Government, Mauritius.
 - Ditto Ceylon.
 - Ditto Straits Settlements.
 - Ditto Hong Kong.
 - Ditto Federated Malay States
 - Ditto Kedah.
- Charges of Perso-Afghanistan Frontier, Khorasan.
- Charges for organizing Imperial Service Troops.
- Central Trust Interest Account.
- Sale-proceeds of Dr. Moore's Manual of Family Medicine and Hygiene for India.
- Sale-proceeds of Tide Tables.
- Sale-proceeds of Journal of Indian Arts.
- Railway charges for distinguished visitors to India incurred under special orders of the Government of India.
- Payments by local Governments on account of the cost of the anti-rinderpest serum supplied from the Imperial Bacteriological Laboratory, Muktesar.
- Consular and Diplomatic Services in Persia.
- African Protectorates.

The Accountant General, Posts and Telegraphs, will similarly communicate to the Accountant General, Central Revenues, the receipts of the Northern India Salt Department credited in Post Offices.

106. The charges of these Departments are paid locally under the rules laid down in Chapter 22, Civil Account Code, and are reported to the Accountant General in the bi-monthly lists of payments. On receipt of each such list the vouchers for charges of any of these Departments, other than those which are audited locally, should be taken out, and their amounts posted in bi-monthly schedules in the form annexed, a separate schedule being used for each Department. As soon as all the first or second lists have been received, this schedule, with the vouchers, should be despatched to the Accountant General, Central Revenues, in anticipation of the Exchange Account in which they will be debited. Except in the case of rents for any buildings under the control of a provincial Government, recovered on the pay bills of officers of Central Departments and which are adjusted in the provincial books, net amounts only are to be charged, as all adjustments on account of service funds and Income-tax will be made by the Accountant General, Central Revenues, and the total of the two schedules will be entered in the Exchange Account :—

Schedule of payments on account of
made at treasuries in *from the*
to the *day of* *19 .*

Number of Voucher.	From what treasury paid.	Amount of each Voucher.			Total payments from each treasury.		

The vouchers for expenditure incurred by non-Civil Departments will be forwarded with the Exchange Accounts.

1. Objections raised by the Accountant General, Central Revenues, on audit of these charges will be communicated to the Accountant General only if the action of the Treasury Officer is irregular, or if further action be required of the Audit office.

Survey of India.

107. The special rules for the apportionment of Revenue and Forest Surveys carried out by the Survey of India and of Forest maps prepared by them are given in Chapter 6 of the Audit Code. The adjustment of expenditure between the Central Revenues and the local books, will be made

at the end of the year, under instructions from the Accountant General, Central Revenues.

1. Amounts recoverable from private estates for survey work done are transferred at the end of the year from the Central Revenues books to the Province concerned, where they are held under Advances Recoverable pending recovery from the estates.

2. After the close of the year the Surveyor General forwards to the Accountant General, Central Revenues, a statement showing the nature of the work done and the cost to each

Ancient Monuments.

108 Receipts and Expenditure pertaining to works executed by local Governments in connection with ancient monuments as defined in section 2 (1) of the Ancient Monuments Preservation Act, 1904, which are declared to be protected monuments under section 3 (1) of that Act, are audited by the local Accountant General and passed on to the Accountant General, Central Revenues, for adjustment.

The totals only of receipts or payments need be shown in the schedules, any particulars required by the Accountant General, Central Revenues, being given in separate statements.

Home and Revenue Departments' Expenditure.

109. Expenditure referred to in Articles 125 to 131 of the Civil Account Code, Volume I, whether under the audit of the Accountant General, Central Revenues, or of the local Accountant General, should be debited to the Account Current with Central Revenues.

Exchange on sterling transactions.

110. All items on account of exchange on sterling transactions (including exchange on Secretary of State's bills and sterling drafts) are passed on through the Exchange Accounts for adjustment in the first instance on the books of the Accountant General, Central Revenues, under the deposit head "Exchange on Remittance Accounts."

Indian Audit Department.

111. The pay and allowances and contingent charges of the two Deputy Auditors General for Inspection, the Examiner of Press Accounts and the Examiner of Customs Accounts and their establishments, paid elsewhere than in Calcutta and Delhi, will be debited *net* in the Exchange Account with Central Revenues, but the vouchers will be forwarded with covering schedules to the Accountant General, Central Revenues, bi-monthly, in anticipation of the Exchange Account.

The pay and leave salaries of all gazetted officers of the Indian Audit Department (including Assistant Accounts Officers officiating against vacancies in the General or the Public Works lists) attached to the offices of the Civil

Accountants General should be passed on to the Accountant General, Central Revenues, for adjustment in his books.

Remittances of Coin.

112. Charges for bronze and copper coin remittances and for loss on withdrawal of copper coins should be debited to Central Revenues, after being audited by the paying Accountant General, who should retain the vouchers, but certify in the Exchange Account that the charges have been audited and the vouchers retained by him.

Accounts of the Mysore Assigned Tract and Mysore Residency.

113. The Accountant General, Madras, audits the accounts of the Mysore Assigned Tract and Mysore Residency, and compiles them in monthly statements which are sent in advance of the monthly Exchange Account to the Accountant General, Central Revenues, who adjusts the amounts thus reported to him under the appropriate revenue and service heads. The statements do not include debt and remittance heads and are not accompanied by vouchers and the totals only of the statements will be entered in the Exchange Account.

Convict Charges of Indian States.

114. The following is the procedure to be observed in recovering the cost of maintenance at Port Blair of convicts transported thither from Indian States or for offences committed within Indian States :—

The Chief Commissioner of the Andamans, in the first instance, communicates the amounts due by each State on account of the maintenance of convicts to the Accountant General, Central Revenues, who, on receipt of the information, issues instructions for the recovery of the amounts to the Audit Officer of the province concerned, who will, when the amount is recovered, pass on the credit to the Accountant General, Central Revenues, in his Account Current with Central Revenues.

Straits Settlements, etc.

115. Debits and credits on account of the following Colonial Governments, viz., Straits Settlements, Ceylon, Kedah, Federated Malay States and Mauritius, are also to be passed on to Central Revenues through the Exchange Account Current with the Accountant General, Central Revenues.

1. Charges of the Straits Settlements recoverable from the Imperial Exchequer, London, should be included in the London Account Current.

2. Commission at 1 per cent. is recovered from Straits light dues collections and credited to VII—Customs.

116. Debits for payments made on account of the Hong Kong Government are also passed on to India through the Exchange Account Current with the Accountant General, Central Revenues.

1. For rate of exchange for the conversion into Indian Currency of payments stated in Hong Kong dollars see, Rule 5 to Article 330 of Civil Account Code, Volume II.

African Protectorates.

117. Claims against the British East Africa, British Central Africa, Uganda and Somaliland Protectorates are to be adjusted by Audit Office in India in communication with the Accountant General, Central Revenues. That officer will settle the claims in direct communication with the Commissioner of the Protectorate concerned by means of statements furnished to the Commissioner monthly or quarterly according to the nature of the claims as stated below :—

- (i) Expenses defrayed in India on account of the Protectorates.—Monthly statement with supporting vouchers will be forwarded by the Accountant General, Central Revenues, on the earliest possible date, and not later than the end of the third month following that to which the claims relate. For the preparation of this claim statement for all India the Accountant General, Central Revenues, should be furnished by the several Audit Officers, with monthly statements of claims in duplicate, together with the supporting vouchers, in original.
- (ii) Contributions for pensions on account of Government service rendered by the Central Government for service under the Protectorates.—Quarterly statements of claims will be prepared by the Accountant General, Central Revenues.
- (iii) Capitalised value of wound, etc., pensions of Government service rendered by the Central Government for service under the Protectorates.—Quarterly statements of claims will be prepared by the Accountant General, Central Revenues, on receipt of similar statements in duplicate from the Military Audit Officers concerned.

118. The adjustment of all claims by or against the African Protectorates will be made between the Crown Agents for the colonies and the India Office. The Protectorate Audit Office will forward to the Accountant General, Central Revenues, on receipt of the statement prescribed in the foregoing article will immediately make the necessary entries in his outward London Account (passing on only the net debit or credit for all India) and the *per contra* entries in the Exchange Account.

119. Estimates of expenditure likely to be incurred in India in connection with services required of the Indian Government on behalf of the Protectorates will, whenever possible, be furnished to the Commissioner of the Protectorate concerned before the expenditure is incurred; and copies of all estimates for charges other than for continuous services will simultaneously be forwarded to the India Office. These estimates will be furnished by the Audit Officers concerned through the Accountant General, Central Revenues.

Chapter 6.—Accounts Current between Civil and Military.

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Schedules of Receipts and Payments.

120. The separate schedules of Military receipts and payments transmitted by Treasury Officers (Article 486, Civil Account Code) with their monthly accounts and bi-monthly lists of payments are, on receipt, collected together by the Accountant General and forwarded, in original, together with all vouchers for payments, including cheques and transfer receipts, to the Controller of Military Accounts and Controller of Military Supply Accounts, with a covering list in Form 13 for payments, and Form 14 for receipts;—the first list of payments should be sent about the 25th of the month to which it refers, and the second list and the schedules of receipts on the 10th of the next month.

1. These dates must be strictly observed, and if all the lists have not been received from treasuries on the due dates those which have been received should be forwarded, and supplementary lists should be sent as early as possible after the receipt of the late schedules.

2. The duplicate copies of Receivable Orders (*vide* Article 452, Civil Account Code, Volume II) should also be forwarded with the schedule of receipts.

121. The Accountant General will preserve for record a copy of the covering lists and also a copy of the schedule of receipts and of the entries in the "Miscellaneous Payments" column of the schedule of payments.

Form of Exchange Account.

122. The outward Exchange Account Current is prepared in Form 15, and the inward in Form 16. The mutual adjustment and clearing of items is regulated by rules laid down in Chapter 4, and each Controller furnishes the Auditor-General and the Accountant General concerned annually with a statement compiled in the manner mentioned in Article 101 of that Chapter.

1. The following explanations may be of use :—

Head I.—Remittances to Civil from Military.

This is intended for cash remitted by the Military Departmental Officer into a Civil treasury.

These sums appear in the second money column of the treasury schedule, C. A. C. Form 69. Transfer receipts drawn by Civil treasuries, and cheques drawn by Cantonment Secretaries.

on Military treasure chests will also be shown under this head. They appear in the first money column of C. A. C. Form 69

Head II.—Remittances to Military from Civil.

These remittances are issues of payments upon cheques and transfer receipts issued by Military Officers, and also—when such are specially ordered—specie remittances from Civil treasuries to Military treasure chests. Registration fees, Stamp, Akbari and Salt collections, etc., paid into Military treasure chests will appear under this head.

Head III.—Items adjustable by Civil.

This is intended for receipts and charges on account of the Civil Department received and expended by Military Officers, and debited or credited by them to the Civil Department for adjustment upon the Civil Accounts. Under this head may be included sums received into Military treasure chests on account of Cantonment Funds, Contributions for Foreign Service examination fees and subscriptions to Service Funds. Consequently the original items under this head are always in the account rendered by Military to Civil, and the responding entries are always in the account rendered by Civil to Military.

Head IV.—Items Adjustable by Military.

This is intended for receipts otherwise than on Receivable Orders and for payments on account of the Military Department otherwise than on cheques and transfer receipts issued by Military Officers, and also for the value of stores supplied by and returned to Civil Departments. These will be debited or credited to Military in the account rendered by the Civil to the Military. The only entries in the account rendered by Military to Civil are the responses given by Military in adjustment of these debits and credits.

The Civil Accountant General need give no particulars in his outward Account Current of the items credited and debited under heads I and III, and in the same way the Military Accounts Officer need give no particulars of the items credited and debited under heads II and IV of his outward Account Current. These particulars are given in separate schedules on the plan described in Articles 72 and 73 in respect of Accounts Current between Civil and Civil. The Accountant General in giving particulars of credits under head IV, should also enter in the relevant schedules, the full designation of the party paying the amount into the treasury. Receipts and expenditure pertaining to Military Works executed in the Public Works Department as a permanent arrangement, in respect of which the Accountant General acts as a sub-Audit Officer on behalf of the Military Accounts Department should be shown in lump sum in relevant schedules, but details of the account required by the Military Accounts authorities should be furnished in separate statements.

Returns for Military Accountant General.

123. On the 23rd of June of each year each Accountant General should furnish the Military Controllers concerned with a statement showing the probable amount of original debits and credits on account of the Military Department that will appear in the Exchange Accounts for March (final) under head IV.—Items adjustable by Military, according to the latest available information.

124. Each Accountant General should send direct to the Military Accountant General by the 30th of each month a statement in Form 17, showing the debits and credits to that department in his books for, and to the end of, the preceding month. In the case of Madras, Bombay and Central Revenues, the figures may be sent a fortnight later.

125. A similar statement showing the debits and credits on account of Imperial Marine should also be sent to the Military Accountant General, on the same dates, by each Accountant General having such transactions.

Lapse of Transfer Receipts and Cheques.

126. Military transfer receipts lapse at the end of the third account year after the year of issue, and Military cheques at the end of the third month after the month of issue. Both will be adjusted in the books of the Military Department, and not in those of the Civil Department.

Deceased Soldiers' and Deserters' Estates.

127. Under Sections 114 and 115 of the Indian Army Act (Act VIII of 1911) and Rule 165 of the Indian Army Act Rules, the surplus of the estates of deceased persons, and of the property of deserters subject to that Act is remitted to the Accountant General, Central Revenues. The surplus property of deserters should be credited as revenue immediately on receipt, while that of deceased officers and soldiers should be credited to a distinct Sub-head under Deposits and entered in a register in Form 18. Such deposits, if not claimed within three years, will be credited to revenue, like any other deposits.

Receipts and Payments at a Military treasure chest on account of other Departments.

128. In cases in which Military treasure chests are authorized to receive money from, or pay money to, officers of the Public Works and Railway Departments, they will receive or pay the money and account for the same in strict conformity with the rules prescribed for civil treasuries in Chapters 24 and 26 of the Civil Account Code, as the case may be.

129. Transactions between Military treasure chests, and Civil and Public Works Departments will be settled through the Account Current between Civil and Military.

Indian Military Service Family Pension Regulations and Indian Military Widows' and Orphans' Fund.

130. Transactions appertaining to the "Indian Military Service Family Pension Regulations" and the "Indian Military Widows' and Orphans' Fund" should be passed on to the Controller of Military Supply Accounts (see Audit Code, Chapter 20).

Chapter 7.—Accounts Current between Civil and Railways.

Introductory	131	List of Civil and Railway Exchange	
Form of Account	133	Accounts	Annex. A
Account for March	134	Heads of Exchange Accounts	
Settlement of Outstandings	135	Current	Annex. B

Introductory.

131. A list of the Chief Auditors and Government Examiners of Railways who are in account with each Accountant General is given in Annexure A.

1. A Chief Auditor can adjust an item with a Civil Accountant General, with whom he is not in account, only through the Civil Accountant General with whom he is ordinarily in account.

132. The Accounts Current between Civil and Railways is in two parts, *i.e.*, one for Capital major heads of account and the other for Revenue major heads of account.

1. With the consent of the Railway Audit Officer concerned the two parts may be combined in one Exchange Account with separate columns for Capital and Revenue items.

Form of Account.

133. The heads of the Exchange Account are enumerated and explained in Annexure B. The account itself will show only the totals of the heads in small capitals the details being explained in separate schedules on the plan of Articles 72 and 73. The entries against Head III in the outward account of the Civil Accountant General and those under Head IV in the outward account of the Chief Auditor are, as a rule, responding entries only. But there is no objection to a special arrangement being made with a Chief Auditor in respect of any particular class of credit being afforded by him in advance of the debit, care being taken to prevent double adjustments.

1. The Chief Auditor should forward the treasury consolidated receipts with his outward account but the Accountant General should not forward paid cheques with his outward account.

Account for March.

134. Original items in March preliminary accounts of Civil which have to be passed on to Railways through another Civil Accountant General (*vide* Rule 1 to Article 131) should be communicated to that officer by means of advance schedules on the 25th March and 10th April each year. A copy of advance schedules should be sent simultaneously to the Railway Audit

ANNEXURE A.

(See Article 131.)

List of Civil and Railway Exchange Accounts.

Civil Province concerned.	Railway Audit Officer concerned	REMARKS.
Accountant General, Central Revenues.	Chief Auditor, Bombay, Baroda and Central India Railway.	
	Chief Auditor, Great Indian Peninsula Railway	
	Government Examiner, Madras and Southern Mahratta Railway	For Bezwada Extension Railway.
	Chief Auditor, East Indian Railway	
	Chief Auditor, Bengal-Nagpur Railway	
	Chief Auditor, North Western Railway.	
	Chief Auditor, Oudh and Rohilkhand Railway	
	Chief Auditor, Madras and Southern Mahratta Railway.	For Madras and Southern Mahratta Railway, and also the Mysore, the Bezwada-Masulipatam, and Dhone-Kurnool Railways.
	Government Examiner, East Indian Railway.	For Burdwan-Katwa, Bankura-Damodar, Dadghera-Jamalpur ganj branches.
	Audit Officer, Khyber Railway Construction	For transactions relating to State Railway Stores.
Madras	Accountant General Railways.	
	Auditor, Jodhpur-Bikanir Railway .	For Jodhpur-Hyderabad Railway (British Section).
	Audit Officer, Delhi (New Capital) Railway Works.	
	Chief Auditor, South Indian Railway	For the South Indian Railway. Also for the Tanjore District Board and Tinnevely-Qulon Railways.
	Government Examiner, Madras and Southern Mahratta Railway.	

CHAP. 7.] ACCOUNTS CURRENT BETWEEN CIVIL AND RAILWAYS. [Annex. A.

ANNEXURE A—contd.

Civil Province concerned.	Railway Audit Officer concerned.	REMARKS.
Madras—contd.	Chief Auditor, Bengal Nagpur Railway. Chief Auditor, Madras and Southern Mahratta Railway.	For the Madras and Southern Mahratta Railway, and also the Mysore, the Bezwada-Masulpatam and Dhone-Kurnool Railways.
Bombay	Chief Auditor, Bombay, Baroda and Central India Railway. Chief Auditor, Great Indian Peninsula Railway. Government Examiner, Bombay, Baroda and Central India Railway. Chief Auditor, North-Western Railway. Audit Officer, Khyber Railway Construction. Accountant General, Railways Chief Auditor, Madras and Southern Mahratta Railway.	For transactions relating to State Railway Stores. For the Madras and Southern Mahratta Railway and also the Mysore, the Bezwada-Masulpatam and Dhone-Kurnool Railways.
Bengal	Chief Auditor, Bengal Nagpur Railway. Chief Auditor, Oudh and Rohilkhand Railway. Audit Officer, Delhi (New Capital) Railway Works. Chief Auditor, Eastern Bengal Railway. Government Examiner, East Indian Railway. Chief Auditor, Bengal Nagpur Railway. Chief Auditor, East Indian Railway.	

ANNEXURE A—*contd.*

Civil Province concerned.	Railway Audit Officer concerned.	REMARKS.
Bengal— <i>contd.</i>	Chief Auditor, Bengal and North-Western and Tirhoot Railways.	
	Chief Auditor, Oudh and Rohilkhand Railway.	
	Chief Auditor, Assam-Bengal Railway.	Also for Chapargukh-Silghat and Katakhal-Lalabazar branches.
United Provinces	Chief Auditor, Rohilkhand Kumaon Railway.	For Lucknow-Bareilly Railway.
	Chief Auditor, Great Indian Peninsula Railway.	
	Chief Auditor, Bombay, Baroda and Central India Railway.	
	Chief Auditor, Bengal and North-Western and Tirhoot Railways.	
	Chief Auditor, East Indian Railway.	
	Chief Auditor, Bengal-Nagpur Railway.	
	Chief Auditor, North-Western Railway.	
	Chief Auditor, Oudh and Rohilkhand Railway.	
	Audit Officer, Delhi (New Capital) Railway Works.	
	Chief Auditor, North-Western Railway.	
Punjab and North-West Frontier.	Audit Officer, Khyber Railway Construction.	
	Chief Auditor, Great Indian Peninsula Railway.	
	Chief Auditor, Bombay, Baroda and Central India Railway.	
	Chief Auditor, East Indian Railway.	
	Government Examiner, East Indian Railway, Calcutta.	For Delhi-Umballa-Kalka Railway (I and).
	Chief Auditor, Oudh and Rohilkhand Railway.	

ANNEXURE A—concl'd.

Civil Province concerned.	Railway Audit Officer concerned.	REMARKS.
Burma . . .	Chief Auditor, Burma Railways.	
Bihar and Orissa	Chief Auditor, Bengal-Nagpur Railway.	
	Chief Auditor, Eastern Bengal Railway.	
	Chief Auditor, Bengal and North-Western Railway.	
	Chief Auditor, East Indian Railway.	
Central Provinces	Chief Auditor, Great Indian Peninsula Railway.	
	Chief Auditor, East Indian Railway.	
	Chief Auditor, Bengal-Nagpur Railway.	
Assam . . .	Chief Auditor, Assam-Bengal Railway.	
	Government Examiner, Assam-Bengal Railway.	
	Chief Auditor, Eastern Bengal Railway.	

ANNEXURE B.

(See Article 133)

The heads of account under "Accounts Current between Civil and Railways."

I.—REMITTANCES TO CIVIL FROM RAILWAYS.

Payments into treasuries by Railway Officers . . . These amounts will be credited by Civil upon the information received in the treasury accounts, and debited by Railway in the same month upon the consolidated receipts of Treasury Officers furnished to Railway Officers.

ANNEXURE B—continued.

II.—REMITTANCES TO RAILWAYS FROM CIVIL.

Cheques of Railway Officers The cheques paid will be debited on the Civil side of the accounts and those issued credited on the Railway side.

III.—ITEMS ADJUSTABLE BY CIVIL DEPARTMENT.

Inter-Departmental Credits or Charges by Railways Whenever convicts are employed on Railways, the Railway Department will pay the full market value of their labour.

Expenditure in Railway Department to be charged upon Civil Accounts—

Railways chargeable to loan upon the Civil books The Civil Accountant General will receive the debits of the Railway side taking them to the loan account to which they are chargeable. The Civil Accountant General will be responsible for clearing debits or adjusting them upon the local accounts concerned.

Receipts on account of Service and other Funds (one head for each fund) The details are to be sent by the Railway Audit Officer direct to the Secretary of the Fund.

Public Works items separately listed For items for which Advices and Acceptances of Transfer are exchanged direct by Divisional Officers of Public Works Department with Railway Audit Officers and Executive Engineers.

Miscellaneous.

IV.—ITEMS ADJUSTABLE BY RAILWAYS.

Payments into treasuries by Civil Officers on account of Railways—

Sale-proceeds of railway class C lands.

Recoveries of railway advances.

Miscellaneous.

Inter-Departmental Charges to Railways.

• Payments for Land taken up for Railway purposes Payments for land taken up for Railway purposes made, under Article 116 of the Civil Account Code, by Civil Officers not acting as disbursers of the Railway Department and all actual charges on establishment and contingencies incurred in that connection will be debited to the Railway

ANNEXURE B—*concluded.*

Department. Payments for land should be supported by vouchers in Forms C, CC, D or E, referred to in Civil Account Code, Volume I, Appendix 7. Advances drawn by the Collector under paragraph 14 of the same Appendix will be held as "Advances Recoverable" on the Civil Books till they can be adjusted as above. All payments by special officers acting as disbursers of the Railway Department including those for their pay establishments and contingencies are accounted for direct to the Railway Department and not through the Civil Accountant General

Public Works items separately listed See Head III.

Miscellaneous.

Chapter 8.—Accounts Current between Civil and Posts and Telegraphs.

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Account of Posts and Telegraphs Side	140	Stationery and Printing charges	143
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Account of Civil Side.

138. The monthly account of the civil side, Form 19, should be sent to the Accountant General, Posts and Telegraphs, by the 3rd of the second month after that to which it relates. This account is in two parts, viz., Part I—for Postal section, and Part II—for Telegraph section. In both parts, items pertaining to different Deputy Accountants General, Posts and Telegraphs, may be shown in different columns, or in such other details as may be settled in consultation with the Accountant General, Posts and Telegraphs. Remittances to and from each treasury should be detailed by each Head Post office (or Telegraph office), the miscellaneous receipts and charges being shown in separate columns. The following points require special attention:—

- (i) Receipts and expenditure pertaining to buildings of Posts and Telegraphs constructed or maintained through the agency of the local Government, which are audited by the Civil Accountant General should be shown in the account in a lump sum, any details required by the Accountant General, Posts and Telegraphs, being furnished in separate statements.
- (ii) Responding items should be shown in the account in totals under the respective heads.
- (iii) No voucher except for miscellaneous charges need be appended to the account of the Postal section as the Deputy Accountant General, Posts and Telegraphs, will have received a verified copy of the Pass Book (Article 487 of Civil Account Code, Volume II) from the Postmasters concerned.
- (iv) In advance of the monthly exchange account a preliminary statement of treasury transactions with the Postal section should be forwarded to the Accountant General, Posts and Telegraphs, so as to reach that officer on the 15th of the following month to which the account relates. In this statement the sale of ordinary postage stamps and unified stamps and service postage stamps with miscellaneous receipts and payments should be shown separately. Remittance transactions—drawings from or payments into treasuries—need not be shown. Should the

statement be too late for the post, the figures may be communicated by telegraph.

- (v) Public Works outward items which represent transactions for which Advices and Acceptances of Transfers (P. W. A. Forms 55 and 56) are exchanged direct between Divisional Officers and officers of the Telegraph section, should be shown in the account as one item, the particulars being detailed in a List of Advices of Transfers, Form 6, separately for debits and credits.
- (vi) Receipts in support of permanent advances of postage stamps under Article 519 of the Civil Account Code, Volume II, should be submitted with the account together with a list of such receipts, the totals of the list being stated in words as well as in figures. Receipts on account of special advances of stamps (*vide* Article 520 of Civil Account Code, Volume II) should be entered separately at foot of the above list.

139. If any items appertaining to Part I of the account is erroneously entered in Part II, or *vice versa*, or if there is a misclassification under the subdivisions of either Part, the Accountant General, Posts and Telegraphs, is authorised to make the necessary correction intimating it to the Civil Accountant General concerned.

Account of Posts and Telegraphs Side.

140. Account of Posts and Telegraphs side (Form 20) consists merely of statements, separately for Postal and Telegraph sections of such items originating in Posts and Telegraphs accounts adjustable by Civil as do not pass through any treasury accounts. These statements do not include any responding items.

1. Provisions of clause (v) of Article 138 apply *mutatis mutandis* to the account of Posts and Telegraphs side.

141. On receipt of statements referred to above, the Civil Accountant General makes the requisite adjustment of the transactions on his books in the manner laid down in chapter 4 for adjustment of similar transactions appearing in Accounts Current between Civil and Civil.

Responsibility for adjustment.

142. The Civil Accountant General is responsible for—

- (1) promptly responding to original items passed on to him by the Accountant General, Posts and Telegraphs, and
- (2) for taking necessary action to clear original items of the Civil side which have finally been rejected by the Accountant General, Posts and Telegraphs. As the accounts of Posts and Telegraphs side do not include responding items, the Progress Register (Articles 99 to 101) is maintained and the progress of adjust-

ments watched only by the Accountant General, Posts and Telegraphs.

Stationery and Printing charges.

143. All charges on account of stationery supplied to and printing work done for, Posts and Telegraphs are debited to that Department, the adjustment being made annually.

144. In the case of stationery supplied from the Central Stores at Calcutta or the Provincial Stores at Madras and Bombay, the Controller of Printing and Stationery, Calcutta, or the Superintendent of Stationery, Madras or Bombay, communicates the amounts debitable to Posts and Telegraphs to the Accountants General, Central Revenues, Madras or Bombay, respectively, who will raise the necessary debit in their Exchange Account with the Accountant General, Posts and Telegraphs.

145. As regards printing work executed at Government Presses for Posts and Telegraphs, each Accountant General debits at the end of each financial year in his Exchange Account with the Accountant General, Posts and Telegraphs, the cost of printing work done for Posts and Telegraphs including the cost of stationery supplied for such work, the amount being adjusted by deduction from the printing charges. The Controller of Printing and Stationery, Calcutta, and the Superintendent of Stationery concerned will treat the cost of this stationery in the same way as that of other stationery issued to the Press concerned.

Provincial Lines of Telegraph.

146. A contribution or payment to the Telegraph Department for services rendered, either by way of rent for a private line or as contribution under guarantee or agreement, towards the expense of maintaining a line or office, is to be dealt with between the Telegraph Department and any other department, or any Government office, in the same way as similar arrangements between the Telegraph Department and the public generally. The amounts will appear in the Telegraph accounts as contributions or rents, by debit to Civil, and will in the Civil accounts appear as miscellaneous expenditure of the department concerned, or contingent expenditure of the office concerned, by credit to the Posts and Telegraphs.

147. In the case of branch telegraph lines worked on a guarantee against loss given by a local Government, the amount of loss on working is at the end of the year passed by the Accountant General, Posts and Telegraphs, through the Exchange Accounts, to the Civil Accountant General concerned.

Chapter 9.—Accounts Current between England and India.

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Annexure A.—List of heads for use in the Accounts Current between England and India.
 Annexure B.—Rules relating to Light Dues forms.
 Annexure C.—Rules for accounting of transactions pertaining to deceased and distressed British Seamen.
 Annexure D.—Indian State Railways in whose case a special procedure has been sanctioned for payment of cost of European Stores.

Outward and Inward Accounts.

148. The accounts current sent from India to England are termed "Outward" accounts, the accounts sent from England to India being styled "Inward" accounts. There will be two such accounts on each side, one between India and the Secretary of State, and the other between India and the High Commissioner.

1 For facility of reference, the accounts mentioned in this article, are described in this and other chapters of this Code as London Accounts.

149. The following rules which refer mainly to the Account with the Secretary of State, apply also to the Account with the High Commissioner in so far as they relate to transactions included in that account. As the agency functions now exercised by the Secretary of State are gradually handed over to the High Commissioner, there will be a progressive expansion of the account with the latter. The functions now exercised by the High Commissioner are:—

(1) All those duties, etc., which fall within the province of:—

(a) the old Stores Department of the India Office including the Director of Shipping,

- (b) the Indian Students' Department ;
- (c) the Official Agent to the Administrators-General in India ;
- (d) the Indian Trade Commissioner ; and
- (e) the Accountant-General's Department as connected with (a), (b) and (d) above.

(2) Payments in England in respect of :—

- (a) Leave-salary, deputation pay and pensions of officers of the Indian Civil Service, and of other civilian services, except in cases of such officers temporarily employed in the India Office.
- (b) Leave-salary and deputation pay of Military Officers in Civil employ.
- (c) Leave-salary and pensions of officers of the Indian Ecclesiastical Service including pensions payable under Statute to Bishops.
- (d) Furlough pay and pensions of officers of the Bengal Pilot Service, and Family Pensions of such officers.
- (e) Other civil pensions such as pensions of judges under Article 513 of the Civil Service Regulations.
- (f) Bengal, Madras, and Bombay Civil Funds and the Indian Civil Service Family Pension Regulations.

(3) Administration and maintenance of accounts of the Indian Civil Service Provident Fund in respect of recoveries in sterling made from the subscribers, and repayment of sums at their credit.

Scope of the Accounts Current.

150. All cash transactions between the Indian and the Home treasuries including transfers through the Gold Standard and the Paper Currency Reserves but excluding Council and Reverse Bills (see Article 331) and also all remittances through the agency of Government on behalf of third parties (e.g., recoverable expenditure incurred in India on account of the War Office or the Admiralty) should be included in the Remittance accounts. Sterling transactions of all kinds relating to Indian revenues, whether of the Central Government or provincial Governments, are not included in these accounts being adjusted in the Central or Provincial section of the Home accounts under final heads, as far as possible.

NOTE 1.—The principle stated in Article 150 is to be regarded as the ultimate goal of the remittance accounts. During the first year of the accounts it may be experienced by the accounts authorities that certain final heads of account. In such cases, the accounts should be kept only as a temporary expedient.

NOTE 2.—In order to ensure the correct adjustment of expenditure incurred in England, all authorities for payment in that country including leave salary certificates and pension payment orders should furnish the following particulars, viz. :—

- (1) the major, minor, and detailed head of account ;
- (2) whether debitable to Central or provincial revenues ; if the latter, the name of the provincial Government ;

- (3) whether the expenditure pertains to a "Reserved" or a "Transferred" subject,
- (4) whether the expenditure is "voted" or "non-voted"

NOTE 3.—For purpose of clause (1) of Note 2, the indents for stores required by the Public Works Department and leave salary certificates of Government servants of that Department should indicate the following classification of the charges.—

- (a) *Indents for Stores*—Detailed head "Stores" of the minor head "Expenditure in England" subordinate to the major head under which the suspense head "London Stores" of the division is classified.
- (b) *Leave salary certificates*—Detailed head "Establishment" of the minor head "Expenditure in England" of the major head under which the pay of the Chief Engineer of the branch to which the Government servant concerned is attached is classified.

Direct Remittances to England.

151. As a general rule, no money should be paid in England on account of the public service, except through the Secretary of State or the High Commissioner. If, however, under any special rule or order, stores are purchased in England otherwise than through the High Commissioner, or any literary work is undertaken under the direct control of the authorities in India, payment should be made direct by means of a bill of exchange to be obtained through the Accountant-General.

Classification of items in Accounts Current.

152. The accounts current, both outward and inward, will be in two parts, viz.—(1) Adjustable in India, and (2) Adjustable in England, the original and the responding items being thus kept separate. A list of the sub-heads under the Remittance account, classified according as they relate to items adjustable in India or in England, is given in Annexure A to this Chapter. Items coming under the "Miscellaneous" sub-heads in this list should be classified as adjustable in India or in England according to their nature. No general rule can be laid down for guidance in any individual case, but the principle to be observed, where possible, should be that an item should be treated as original in that country in which the first cash transaction takes place.

Every addition to the list of sub-heads referred to above requires the sanction of the Auditor-General and will be promptly notified by that officer to the appropriate authority in England, namely, the Accountant-General, India Office, or the High Commissioner, according to the nature of the transaction. Additions made in England will similarly be notified to the Auditor-General.

Outstandings.

153. Each Accountant-General should keep close watch over unadjusted balances. Generally there should be no delay in responding to items appearing in the inward accounts; see also Article 176. If no response is received to any item of the outward accounts for an unduly long period it should be reported specially to the Auditor-General.

1. The Auditor-General will maintain a Progress Register to watch the progress of adjustment of the account between England and India and at the end of each year will communicate to each Accountant-General the amount outstanding in respect of his Audit circle.

Form of Outward Account.

154. The monthly account is prepared in Form 21 and despatched to the Auditor-General; schedules, in the following form, should accompany the account and also vouchers, where necessary, unless they have been sent in advance under Article 156 :—

No.

Province of Schedule No. of the Account with the *Secretary of State*
High Commissioner

for

19 .

Adjustable in England.
Adjusted in India.

Item No.	Particulars.	Received or paid in India in Indian Currency.	Exchange, Debited (—) or Credited (+).	NET AMOUNT CREDITED OR DEBITED IN THE ACCOUNT CURRENT.	
				In Indian Currency.	In British Currency
		R A. P.	R A. P.	R A. P.	£ s d.
		480 0 0	20 0 0	500 0 0	50 0 0

155. A separate schedule is required for each of the sub-heads shown in Annexure A to this Chapter and should be clearly marked "Adjustable in England" or "Adjusted in India" as the case may be (*see* Article 152). Each schedule should bear a distinguishing number, and the vouchers should be numbered to correspond with the items in support of which they are forwarded.

1. When the several items in a schedule involve separate receipts or payments in England, fractions of a penny should not be shown, fractions of a half-penny or less being omitted and larger ones being shown as a penny; when the whole schedule involves only one receipt, or one payment in England, the fraction should be omitted only in the total of the schedule.

156. Payments in India on account of His Majesty's Imperial or other Government, which are to be recovered by the Secretary of State, are to be advised to the Auditor-General for communication to the India Office as soon as possible, and in anticipation of the regular account, and all vouchers and documents necessary for the recovery are to be sent with the advice. Vouchers for charges of an unusual nature should either be supported by orders of Government authorizing their recovery in England, or the circumstances under which the charge was incurred should be fully explained. Credits to the Imperial Government should be dealt with in a similar manner.

1. When claims are made on account of telegrams despatched in India, copies of the telegrams should be furnished with the claims. If the telegrams are of a secret nature information as to the dates of despatch and the department from which the telegrams issued, with any further particulars which may be necessary for their identification, should be addressed under cover to the Financial Secretary, India Office.

157. To ensure the agreement of the figures in the Accounts Current with those shown in the Finance and Revenue Accounts for the year, a comparison should be made in the first week of October in each year of the London Accounts for all the months of the year with the corresponding total in the final account for March, as modified by subsequent journal entries submitted to the Auditor-General for incorporation in the accounts of the year. In the event of any difference being discovered, a supplementary account current and schedule should be submitted.

Special items in Outward Accounts.

Basses and Minicoy Light Dues.

158. These dues when paid or collected in India are converted into Indian Currency at the official rate of exchange notified from time to time by the Secretary of State for the adjustment of transactions between the Indian and the Imperial Exchequers. A table showing the amount leviable in Indian Currency will be supplied to each Collector by the Board of Trade. Commission at seven and-a-half per cent. on the realisations is credited to Customs, and the balance to the London Account. When a refund of these dues is made the Collectors of the dues should show them in their Statements of Collections periodically sent to England; but, except with special authority of the Board of Trade, repayments are not to be made without the production of the original receipts. One receipt for both dues should be issued for each ship for the same voyage, and one entry without distinguishing the Basses from the Minicoy dues should be made in the account. These dues are now for the most part collected in England.

159. Requisitions for forms for use in the collection of the dues should in all cases be made to the Auditor-General who will obtain the forms from England. The rules relating to forms to be observed by the officers who collect these dues in India are contained in Annexure B.

160. The accounts of Basses and Minicoy Light dues should be summarised as in the specimen form given below for submission to the India Office :—

Statement of the amount due to the Board of Trade in respect of the account of Basses and Minicoy Light Dues collected in Burma for ————19 .

	R.	A.	P.
Light dues collected at Rangoon	0	0	0
Ditto ditto Bassein	0	0	0
Ditto ditto Akyab	0	0	0
Ditto ditto Moulemein	0	0	0
Gross amount of dues	0	0	0
Less amount refunded to S. S. Chupra	0	0	0
Net amount of dues	0	0	0
Less commission at 7½ per cent. on net amount	0	0	0
	0	0	0
Add commission due to Board of Trade, as per Query No. 71 of 1919 20	0	0	0
	0	0	0
Equivalent in sterling, at the various rates of exchange at which the recoveries were made	0	0	0

1. The Minicoy dues should not be shown separately from the Basses dues, but in one sum both in the counterfoil and in the account.

2. All refunds of Light dues should be adjusted at the official rate of exchange referred to in Article 158 at the time the refunds are made.

Deceased and Distressed Seamen.

161. The rules for accounting for the receipts from estates of deceased and the expenditure on relief of distressed British seamen have been laid down by the Government of India for the guidance of the Audit Officers and the Marine Officers concerned. Those relating to the Marine Officers will be found in Annexure C to this Chapter, while the following Rule deals with the disposal by the Accountant-General of the duplicate account sent to him and with the final adjustment of the account rendered to the Secretary of State :—

1. On receipt of the duplicate account the Accountant-General will check in detail the entries as are made in the schedules of the London Accounts Current. The duplicate account should be filed in the office, and its contents compared with the entries in the Accounts Current, London.

The adjustment of the account will rest with the Secretary of State for India and the Board of Trade.

The receipts and charges on this account fall under the head "Balances of Indian Shipping Masters' Accounts"; only the net figures should be shown in the London Account.

Navy Bills.

162. For claims against His Majesty's Navy (e.g., for stores supplied and work done for His Majesty's ships or payments made to contractors on this behalf) Navy bills in duplicate must be obtained which will be forwarded for realization through the London Account. All charges incurred by Civil Department for similar supplies should be passed on to the Controller of Marine Accounts, Bombay, for adjustment, and the Navy bills in duplicate endorsed in favour of the Accountant-General, India Office, London, with supporting vouchers (e.g., receipts signed by the responsible officer of the ship in the case of stores supplied) should be forwarded to the Controller of Marine Accounts, Bombay, for transmission to the Auditor-General. In the case of cash supplied to His Majesty's ships the charges will be included in the London Account of the Province, and the Navy bills in duplicate endorsed in favour of the Accountant-General, India Office, London, should be submitted direct to the Auditor-General. The transactions are shown under the head "Advances in India on account of Naval services" in the Accounts Current and schedule.

Emigration and other Bills.

163. Bills on the Crown Agents for sums advanced to the Emigration Agents are debited to Accounts Current with London. Those drawn in Calcutta are forwarded to the Auditor-General by the Accountant-General, Central Revenues, for despatch to the India Office, while those drawn in Madras are forwarded to the India Office by the Accountant-General. The payments appear under the head "Bills drawn in India on account of Emigration of Coolies and African Protectorates."

Stamp Duty on Royal Warrants.

164. When Royal Warrants are received for delivery to persons appointed to posts in India and resident in it, the equivalent of a sum of 10s. on account of stamp duty on each warrant should be recovered, as a matter of course, from the persons appointed, and without any special instructions on the subject from the Secretary of State.

NOTE.—This rule does not apply to High Court Judges who are appointed by Letters Patent.

165. The amount is debited to India in the Inward London Account as an original item as it represents an actual payment in England. The recovery in India should, therefore, be included as an item adjustable in India in the outward account (see Article 152).

Expenses of Indian Cadets at Sandhurst.

166. All transactions occurring in England on this account will be treated as responding items in the Home accounts. Moneys received from parents or guardians in India should, therefore, be passed on through the Accounts Current as original items. The same principle applies in the case of let's on their de of India.

Drawings for Mesopotamia.

167. All drawings on India by the High Commissioner, Mesopotamia, should be debited in the Outward Account as original items.

Inward Account.*General.*

168. The Inward Accounts Current from London is received by the Auditor-General who sends extracts from it to the Audit Officers concerned.

NOTE.—The India Office in calculating fractions of a month takes every month as consisting of thirty days.

169. Charges on account of pay and allowances, leave salaries and pensions of all kinds are brought finally to account in the Home accounts, as also are leave salaries and pensions paid in Colonies other than those which exchange Accounts Current with the Government of India. In order to enable the India Office and the High Commissioner to deal with them, quarterly returns in Form 23 should be submitted to the Auditor-General by all Audit Officers showing the warrants issued by them for the payment of leave salaries in those Colonies. Separate quarterly returns in the same form should be submitted by the Accountants General, Madras, Bombay, and Central Revenues, showing the warrants issued by them for payment of pensions in those Colonies. Payments made in those Colonies which exchange Accounts Current with the Government of India, viz., Straits Settlements, Ceylon, Kedah, Mauritius, Hong Kong and Federated Malay States, will be adjusted through those accounts current.

1. In the case of Government servants subject to the Fundamental Rules and the Civil Service Regulations, the quarterly returns referred to in this article are sent to the High Commissioner for India; while, in the case of those who are subject to the Army Regulations, they are sent to the Accountant General, India Office.

2. Cases in which a Government servant to whom a Colonial leave salary warrant was issued did not draw any part of his leave salary on the warrant should be reported to the High Commissioner for India on the return of the Government servant to India. This Rule does not apply to leave salary warrants issued to Colonies which exchange Accounts Current with the Government of India.

Treatment in Accountant-General's Office.

170. On receipt of extracts of the Inward Accounts from the Auditor-General the Accountant General should adjust the receipts and payments shown in the original schedules to the proper heads by debit and credit to the account with London and should include these entries in his responding schedules of the outward accounts. Exchange should be passed on to the Accountant General, Central Revenues, for adjustment in his books under the head "Exchange on Remittance Accounts."

1. When, in the extract from the inward account received from the Auditor-General, any item is found susceptible of adjustment in the Military or Marine Department, an extract, supported by the original documents, should be communicated to the Military Accountant-General or the Controller of Marine Accounts, as the case may be, for adjustment. The Auditor-General should at once be informed when any item is so passed on.

2. If an amount paid or received in England on any private or trust account is remitted to India through the account from London the exchange must be borne in mind in making the adjustment in India.

European Stores.

Purchase.

171. The purchase of European Stores is regulated by rules framed from time to time by the Secretary of State in Council.

172. Officers who indent for stores on the Stores Department, London, must furnish in the indent the particulars mentioned in Note 2 under Article 150. If the cost is debitable to a Local Fund, or an Indian or Foreign State, the fact should be clearly stated.

NOTE.—For form of indent and the instructions to be observed in its preparation and transmission, see Government of India, Board of Industries, and Munitions, circular letter No. S-167, dated the 3rd July 1920, and Department of Industries circular letter No. S-107, dated the 22nd March 1921.

173. Great care should be taken to enter in the indent the correct head of account to which the cost of the stores is debitable; in the event of any error being subsequently detected the Accountant-General should make the necessary correction in his own accounts, unless the charge relates to the Central or provincial Governments and is adjustable in the Home accounts under a final head (see Article 174), in which case the correct head should be notified to the High Commissioner.

Stores for the Central and provincial Governments.

174. Stores purchased for the use of the Central or the provincial Governments are charged off finally in the Home accounts—but see note 1 to article 150.

NOTE.—Payments made in England for materials required for silver, nickel, and bronze coinage, including freight, etc., are charged in the Remittance account.

Stores for Local Funds, Indian States, etc.

175. Payments made in England on account of stores and freight chargeable to Local Funds, Indian States, etc., are charged in the High Commissioner's accounts as remittances to India, and are communicated by the Auditor-General to provincial Accountants-General in monthly statements.

176. As it is essential that the account with London should receive credit at once for the whole amount charged, the amount communicated in the monthly statements should be adjusted immediately by credit to the London Account and *per contra* debit to the debt head "Deposits of Local Funds" or "Accounts Current with Indian States," as the case may be, immediate steps being taken to make the necessary recoveries in the latter case. If the local fund concerned does not bank with the Government treasury and recovery has therefore to be made from that body, or if, for want of sufficient information, it is difficult to determine the proper head of charge, the items should be placed under the suspense head "English Stores Suspense Account."

NOTE.—In case of petty differences between the invoice and the accounts current debits of charges paid for stores in England the latter should be taken as correct and recovery made accordingly.

Departmental and other Charges.

177. The following additions are made to the invoiced price of European articles supplied to provincial Governments, Commercial Departments (Railways, Irrigation Works, and Posts and Telegraphs), Local Funds, Indian States, private individuals, etc., in calculating their cost debitable to or recoverable from these various sources :—

- (a) One per cent. for marine insurance, cost of stores lost, general average, etc. ;
- (b) Two per cent. for departmental charges.

Similar extra charges should be made for stores imported from England for the Central Government, but eventually transferred to provincial Governments, etc.

1 Where under special arrangements the contractor undertakes to deliver stores at an Indian port and not at the stores office in London no charge is made under (a).

2 The one per cent. for insurance is intended to cover losses during the voyage to India and not risks of loss between the ship's side and the shore.

3 The adjustment of these extra charges is made in the Home accounts.

Prepayment of the Cost of Stores supplied to Indian States.

178. In the case of supplies to Indian States the cost of all stores supplied must be prepaid in cash. The rupee deposits received on account of stores specially imported for them should be converted at the market rate of exchange (see Article 345) and the cost in sterling of the stores supplied (including sea freight payable in England) together with the extra charges mentioned in the preceding Article should be adjusted month by month against the sterling deposit. The difference between the sterling deposit so arrived at, converted into rupees at the rate of £1=R10, and the actual rupee deposit should be taken to the deposit head 'Exchange on Remittance Accounts' in the books of the Accountant-General, Central Revenues.

NOTE.—As an exception to the above rule regarding the prepayment in cash of the cost of stores supplied from England the following special procedure has been allowed in the case of certain Indian State Railways :—

and any balance remaining after the stores have been paid for will be refunded to the Railway under the orders of the Accountant-General, Railways.

A charge of half per cent. will be made on account of the interest earned for the period between the date of payment of the cost of the stores in England and the date of recoupment in India in addition to the percentages mentioned in clauses (a) and (b) of the preceding Article.

A list of the railways to which this procedure has been extended, together with the names of the approved banks, is given in Annexure D to this Chapter.

Register of Invoices.

179. In the case of stores supplied for the Public Works Department, Local Funds, and Indian States, the Auditor-General forwards the statements

of payments and invoices or extracts therefrom to the Audit Officer of the province or department for which the stores are supplied, and it is the duty of the latter officer to compare these statements with the invoices of the stores supplied, transmitted to him weekly through the Auditor-General, or (in the case of Madras and Bombay) directly by the High Commissioner, in order to see that invoices of all stores shipped for departments in account with him have been received and distributed. This comparison is not made in the case of stores supplied to Departments other than Public Works of the Central and provincial Governments in regard to which only invoices are received from England.

180. On receipt of the invoices they should be entered at once in a register which should contain separate pages for each department or officer obtaining stores from Europe, and should set forth the following details under each heading: (1) Name of vessel. (2) Number of invoice. (3) Date of invoice. (4) Nature of stores. (5) Value of stores. (6) Freight paid in England. (7) Total. (8) Freight payable in India. (9) Grand Total. (10) Initials of Superintendent. This register should also contain columns to show the number and date of the memorandum or letter forwarding the annual abstract statements (Article 181) to each officer and the register number and date of receipt of his reply, and should be used for comparison with the monthly statements received from England. The invoices or extracts therefrom should then be forwarded to the departmental officers concerned.

181. The local Accountants-General should satisfy themselves that the stores shown in these registers are brought on the stores accounts of the proper departments: accordingly, when all the invoices for the year (Article 180) have been received, Annual Abstract Statements in Form No. 24, should be prepared for non-Public Works stores from the registers and sent to each officer to whom stores have been consigned during the year; these officers are required to return the abstract statements in original and to certify in the prescribed column whether the stores invoiced have been received by them and brought on their store accounts.

General Average.

182. "General Average" is the adjustment made among the various owners of vessel and of cargo in the event of loss or damage occurring to the vessel. Claims for contribution to general average in respect of vessels carrying Government stores between England and India must be referred to the India Office. Such claims give no lien on the stores which are to be delivered in accordance with the conditions for freight notwithstanding any claims for contribution to average.

NOTE.—Claims in respect of vessels carrying stores from one Indian port to another should, however, be dealt with in India by the Accountants-General of Bengal, Madras, Bombay or Burma, as the case may be, in accordance with the following instructions:—

1. The agent for the vessel, before giving delivery of cargo consigned to Government, requires the officer above named to sign a bond agreeing to abide by the adjustment of the professional "adjusters," and also to make a deposit. This should be referred to the Govern-

ment Solicitor for advice as to whether the case is, or is not, one for a "general average." If he so reports, the bond should be signed, and the deposit made, and a separate account kept.

2. The adjustment will, after some time, be presented by the agents. The Government in it will be credited (1) with the deposit, (2) for any special losses of its cargo, (3) for any special expenditure incurred by it, and debited with share of any general losses of expenditure, as well as any particular expenditure for its benefit and the resulting balance offered to or demanded from it.

3. The cases are usually very complicated, and the claim should not be passed without scrutiny, but the net loss to Government on the whole matter has to be borne as expenditure. The chief thing to be careful of is that all receipts and expenditure connected with a case of loss, which is to be the subject of a General Average adjustment, are passed on to the suspense account opened on the Accountant-General's books in connection with the case.

Special items in Inward Accounts.

Indian Produce.

183. All receipts and payments in respect of Indian produce consigned to the India Office, whether relating to the Central or provincial Governments, are treated in the Home Accounts as remittance transactions. All such sums shown in the Inward London Account should accordingly be adjusted by credit or debit to the departments concerned, such as the Opium, Forest, Cinchona, etc.

Payments on account of Australian Personnel, and Recoveries from African Protectorates on account of disbursements in India.

184. Owing to the fact that no details of the amounts received in England on the above accounts are available in that country so that an analysis of the outstanding balance is impossible, these items are treated as original items in the Inward Accounts Current, and the corresponding payments in India should accordingly appear as responding items in the Outward Accounts Current.

Specially Chargeable Allowances.

185. When a pensioner, or an officer absent on leave, whose allowances are not entirely chargeable to Indian revenues, is proceeding to England, the several sources from which his allowances are to be met and the several proportions are stated in his last-pay or leave-salary certificate.

186. Payments made in England on account of leave-salaries and pensions not wholly debitable to Indian revenues are, in the first instance, wholly charged to Indian revenues. Every half-year a statement of the amounts recoverable from other funds in respect of pensions paid up to 30th September and 31st March, respectively, is included in the accounts sent by the Secretary of State for India to the Auditor-General for the above months in view to the necessary recoveries being effected. In the case of leave-salaries, the recoverable amount is included in the Accounts Current at the time of the officer's return from leave. The Auditor-General passes on these debits to the Audit Officers concerned for examination and recovery.

187. A pension, leave-salary, or other emoluments paid by the Secretary of State and intimated for recovery in India from any local or other fund

must be recovered exactly as charged. The audit applied by the India Office is not, to be reviewed or re-examined in India.

188. When an amount paid in England and charged in the Remittance Account, on the ground that it is recoverable in India from an Indian State, etc., is found not to be so recoverable or only to be partially recoverable, and the irrecoverable amount is treated as expenditure of Government, an advice of such adjustment should at once be sent to the Auditor-General for communication to the Secretary of State.

ANNEXURE A.

[See Article 152]

List of Heads for use in the Accounts Current between England and India.

HIS MAJESTY'S IMPERIAL GOVERNMENT—

WAR OFFICE.	Items adjustable in
Indian Force in North China	England.
Additional Indian troops for service at Hong Kong	"
Remittances paid in India on behalf of Asiatic Artillery at Hong Kong and Singapore	"
Enlistment of Natives of India for service in the Colonies	"
Indian Native Regiments lent for service in the Colonies	"
Payments in India on A. F. O. 1706	"
Payments in England on I. A. F. 602	India
Allotments paid in England by Regimental Paymasters on behalf of British Soldiers on the Indian Establishment	England
Miscellaneous Remittances and Effects and Credits of British Officers and Soldiers	"
Expenditure in India on account of Expeditionary Force and other War Services	"

ADMIRALTY :

Admiralty Transport	"
Teak shipped from India	India.
Advances in India on account of Naval Services	England.
Advances to the Senior Marine Transport Officer, Suez	India.

FOREIGN OFFICE :

Lighting and buoying the Persian Gulf	England.
Surveying the Persian Gulf	"
Persian Gulf Radio Offices	"
Defence Works at Aden	"
Troops lent for service in Persia	"
South Persia Military Police	"
Surplus Revenues of the occupied territories in Mesopotamia	"
Funds supplied to H. M. Minister at Tehran	"
Advances to His Britannic Majesty's Consuls	"

eighteen months; but when one book of 25 forms is more than sufficient for that period two such books should form the maximum stock to be retained.

2. When applications are made to the Accountant-General for fresh supplies of such forms, the numbers of the forms on hand at the time of application should be stated, and when applications are made by the Auditor-General to the Board of Trade for supplies of forms for more than one province the quantity required for each province should be stated separately.

3. Forms should be issued consecutively according to the printed numbers the lower numbers being issued first, and not more than one book of 25 forms should be in use at the same time, if this can be avoided. Forms of an earlier series should, however, be used before those of a later.

4. Great care should be exercised in the preservation of these forms, and any forms cancelled or defaced should, together with the corresponding counterparts, be attached to the accounts for transmission to the Board of Trade. The numbers of any forms, lost or destroyed, should be stated, with an explanation, on the accounts. The numbers of the unused Light Dues Receipt Forms on hand should be quoted by Collectors and Sub-Collectors on each of their accounts for transmission to the Board of Trade.

5. When Besses Light Dues are repaid, the original receipts should be retained and attached to the corresponding repayment receipts for transmission with the accounts to the Board of Trade.

ANNEXURE C.

[See Article 161.]

Rules for accounting for the receipts from estates of deceased, and the expenditure on relief of distressed British Seamen.

1. These rules are prepared at the request of the Board of Trade.

2. Shipping masters—master attendants, or other officers charged with the duty of collecting the wages and effects of deceased British seamen, and of administering relief to British seamen found in distress, should keep a separate cash account of all such transactions in the form appended, which is Form C. C.-18 (slightly modified) at page 42 of the "Instructions to officers in the British possessions abroad" under the Merchant Shipping Act of 1854.

3. They should also keep all the subsidiary accounts in the forms described by those instructions and draw out their vouchers as therein directed.

4. It must be understood that, except when the officer concerned has a cash chest of his own, all receipts and charges must be passed through the district treasury account daily in full, any balance in hand being remitted to the treasury. Such receipts and charges will be credited and debited to London Account.

5. Should the officer concerned need funds for meeting relief charges, he should supply himself by bills drawn up by himself showing the specific charges to be paid, which bills should be countersigned, before payment, by such responsible officer as the local Government may appoint. As above stated, these charges will be debited to London Account.

6. Immediately on the expiration of every month, an account in duplicate (in modified Form C. C.-18 above referred to) of the month's transactions should be made out, the original being forwarded direct to the Board of Trade (with all the vouchers), and the duplicate (without vouchers) to the Accountant-General.

7. The rate of exchange for the conversion of rupees into sterling varies with the nature of the transaction, purely personal remittances being converted at the market rate (*vide* Article 345) and the rest at the official rate (*vide* Article 342).

FORM REFERRED TO IN RULE 2 OF ANNEXURE C.

an account current with the Board of Trade.

(Here state title of officer and nature of office)

Cr.

RECEIPTS.	Indian Currency.	Sterling		Bills drawn on the owners		PAYMENTS	Indian Currency	Sterling		Bills drawn on the owners.	
		£	s. d.	£	s. d.			£	s. d.	£	s. d.
Receipts in respect of seamen left in charge, viz.— From masters of merchant vessels for wages of seamen left in my charge, as per accounts in Form C-6 and Statement on sub-statement No. 1, Form C-10 To cash received for proceeds of sale of effects, etc. of seamen who have died while under my charge, as per Statement and Vouchers with Form C-17, Nos. _____ to _____ Receipts in respect of deceased seamen dying on the voyage or in port, and for whom no expenses have been incurred by the officer, viz.— For wages and effects of deceased seamen, as per Statement and Form C-15, seamen's money-orders						By amount paid, as per Statement C-10, for subsistence of distressed British seamen, Vouchers Nos. _____ to _____ By amount for clothing as per Statement C-11, Voucher Nos. _____ By amount for medical attendance, as per Statement C-12, Vouchers Nos. _____ to _____ By amount for travelling expenses, as per Statement C-13, Vouchers Nos. _____ to _____ By amount paid for balance of wages due to seamen and paid to them on their recovery, as per Statement and Form C-7, No. _____ to _____ TOTAL PAYMENTS Balance due to the Board of Trade by the Secretary of State for India. GRAND TOTAL					
Total in bills drawn on the owner of British merchant ships.											
Total in bills drawn on the owner of British merchant ships.											
By amount of bills, as per counters, drawn on the owners of British merchant ships and transmitted to the Board of Trade											
GRAND TOTAL											

I hereby certify that the above account is just and true according to the best of my knowledge and belief

of _____ day _____

(Signed) _____ Here, state title of officer.

ANNEXURE D.

[See last paragraph of Note under Article 178.]

Indian State Railways in whose case a special procedure has been sanctioned for the payment of the cost of European Stores.

Name of Railway.	Owned by	Approved bank.
(1) Jodhpur-Bikaner Railway	Jodhpur and Bikaner Durbars	National Bank of India, Bombay.
(2) Udaipur-Chitorgarh Railway.	Mewar Durbar . . .	Any local head office of the Imperial Bank.
(3) Jaipur-Shaikhwati Railway.	Jaipur Durbar . . .	The Bombay head office of the Imperial Bank.

PART III.

Compilation and Books.

Chapter 10.—Consolidation of Accounts.

Detail Book—

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Detail Book.

Form and Method of Posting.

189. Particulars relating to a year's account transactions taking place at treasuries as well as transactions brought to account in the Departmental Accounts of Public Works, Forest and some other offices (*vide* chapter 25 of the Audit Code) are collected for the whole circle of audit under each head of account from month to month in a Detail Book.

1. The term "treasuries" as used in this article includes the Imperial Bank of India or any branch of that Bank at which treasury business is conducted for Government.

2. If the accounts for any month of a Treasury Officer, Public Works Divisional Officer or any other Departmental Officer be received so late that they cannot be included along with

notice of the local Government.

190. The Detail Book is arranged in vertical columns, of which the first two columns on each folio or page show the period of account and the name of the district (or other) abstract, and the remaining columns the entries which appear in that abstract under each head of account. The Detail Books will be so arranged as to provide sufficient space under each heading for the consecutive entry of twelve months' transactions; that is, each set or sets of heads of account should be repeated on consecutive pages as often as may be necessary for recording the transactions of the whole year from April to March (final), and any additions or deductions consequent on journal entries.

191. The heads of account ordinarily opened in the Detail Book are :—

- (i) *Non-Public Works transactions* : the detailed heads opened in the Classified Abstracts under each minor head.
- (ii) *Public Works transactions* : heads of account determined by the Accountant General under the rules in chapter 37 of the Audit Code.

192. The arrangements of the heads of account in the Detail Book will generally be as laid down in Article 180 of the Audit Code. Totals should be struck, where necessary, under each of the sub-divisions of a minor head, viz., Central and provincial under revenue receipts, and the following six sub-divisions under expenditure (including refunds shown on receipt side) :— (1) Central—Non-Voted, (2) Central—Voted, (3) Reserved—Non-Voted, (4) Reserved—Voted, (5) Transferred—Non-Voted and (6) Transferred—Voted.

1 Both in the case of Public Works and Non-Public Works transactions, the heads in the Detail Book should follow the same order as is prescribed for the abstracts from which the Detail Book is posted in order that the entries may be proved against each other.

193. The Detail Book, if not bound before being brought into use, should be bound up, at all events, at the end of the year ; meanwhile sufficient sections, containing the pages assigned for the whole year to one or more major heads, should be securely stitched in covers of stout paper, labelled clearly on the outside. In the case of debt and remittance heads, where there is nothing in the heading to distinguish the receipt from the payment side, the word 'Receipts,' or 'Payments' as the case may be, should be written conspicuously at the top of each page.

Checking.

194. When the postings under each head have been completed, the detailed items should be independently cast up across the page to the total column of the Detail Book, without reference to the total already made in the district (or other) abstract.

195. The postings in the Detail Books should be independently checked with the entries in the district (or other) abstracts, that is, both the postings of the detailed heads and the totals made under the last rule for minor heads. The person who checks the postings is required to put his initials on the face of the abstract ; and, if all the entries of a month on one page of the Detail Book are posted by one man, and checked by another, the poster and the checker severally should initial at foot of the page.

Closing the Detail Book.

196. When the grand total of cash transactions under each head has been made in the Detail Book, then from the Abstract of Transfer Entries (see

Article 220) will be posted, for addition or reduction, as the case may be, under the various heads concerned, the outcome of all office adjustments so that the Detail Books will include monthly all transactions of whatever nature connected with receipts and payments that will eventually appear on the General Books. The closing entries of each month will thus be—

										Total of cash transactions .	
Exchange Account Abstract											
Transfer entries	{	Add									
		Deduct									
										GRAND TOTAL .	

197. The Detail Book, when completed, will thus present for the whole circle of audit the figures for—

- (1) receipts and charges under such detailed heads as were opened in the Detail Book ;
- (2) revenue receipts under each minor head, separately for Central and Provincial.
- (3) Expenditure under each minor head, separately for each of the six sub-divisions referred to in Article 192.

Consolidated Abstract.

Form and Method of Posting.

198. (a) The next process is the preparation of the Consolidated Abstract of receipts and disbursements (Form 26). The form will be printed on substantial paper of medium size (17½ inches by 11 inches) and fly-leaves inserted between the pages. The abstract will be bound temporarily in boards in convenient sections for use during the year and bound permanently in one volume after the close of the accounts for the year. Columns are provided for showing the progressive totals, month by month, under each major head, sub-division (Article 192) of a minor head, primary head. Progressive totals for each minor head should always be filled in at the end of the year or whenever they are necessary to supply depart-

mental requisitions, watching of actuals or for any other purpose. Unnecessary totalings should be avoided wherever possible.

NOTE.—The column "Amount of $\frac{\text{Estimate}}{\text{Appropriation}}$ " need be filled in only in the following cases:—

- (i) Revenue Receipts. figures of the accepted estimate under each minor head and major head.
- (ii) Expenditure (including refunds of revenue shown on receipt side) appropriation under each minor head and under those detailed heads in respect of which the local Government has requested the Accountant General to audit the expenditure.

CONCISE.

(b) Every head of account for which a column is provided in the Detail Book (*vide* Articles 191 and 192) must also appear in the Consolidated Abstract and against it will be entered the total of the month's entries as there recorded. Columns are also provided for totals of such detailed heads as fall under the same primary unit of appropriation.

(c) The Consolidated Abstract will present the results referred to in Article 197, as well as the expenditure under each primary unit of appropriation and totals of major heads (*vide* clause (d) below).

(d) The totals of the major heads will be brought out for the first time in the Consolidated Abstract, and an abstract by major heads totals only should be maintained in the same form as the Consolidated Abstract for showing the receipts and disbursements by major heads during and to end of a month.

(e) The distribution of the major head totals among the various divisions and of the entire expenditure is recorded in the Distribution Statements referred to in Articles 207 and 208.

199. As the transfers of each month are posted in the Detail Books without reference to the amount of the month's transactions under the detailed heads concerned, the result may be a *minus* entry, which will pass in red ink into the Consolidated Abstract and reduce the total of the minor head.

It may sometimes happen that the *minus* entry under a detailed head is so large as to exceed the aggregate of the *plus* entries for the current month under the other detailed heads subordinate to the same minor head. In this case the net entry for the minor head also will be a *minus* one in red ink both in the Consolidated Abstract and in the Ledger. In exceptional cases *minus* entries under a major head may appear in any month.

Closing the Abstract.

200. The totals of the receipts and payments will then be checked against the Statement of Disbursers' Accounts (see Audit Code, Article 514); and the

general statement of account will be drawn up on the back of the disbursement section of the Abstract of Major Head Totals as follows :—

Opening balance—									
Cash in treasuries						0	0	0	
Cash in transit						0	0	0	
									0 0 0
Receipts of the month as detailed within									0 0 0
						TOTAL			0 0 0
Charges of the month as detailed within									0 0 0
						BALANCE			0 0 0
Detail of Balance—									
Cash in treasuries						0	0	0	
Cash in transit, as per check register of Local									
Remittances						0	0	0	
									0 0 0

1. Any difference between the account balance shown in this abstract and the grand total of the provincial cash balance report should be explained in a note.

201. The Consolidated Abstract, when so completed, brings out the joint account of the Central and provincial Governments in respect of the transactions of the Audit circle, excluding :—

- (1) Contributions made by the provincial Governments to the Central Government under Part II of the Devolution Rules, and any miscellaneous adjustments between these Governments which do not affect the total revenue and expenditure of the Indian Empire. Such transfers are adjusted outside the accounts (*vide* Articles 294 and 297) as their exhibition in the joint account will exaggerate the total revenue and expenditure of the Empire.
- (2) Transactions adjusted finally in Home accounts (*vide* Article 150) and not passed on through the Accounts current for adjustment in the books of the Audit Officer concerned.

March Accounts.

202. The accounts for March as first prepared are only preliminary records, as the books remain open for adjustments and transfers until the 1st July, when the final accounts for March are made up. The progressive figures for March final should be despatched to the Auditor General and the Secretary to the Government of India, Finance Department, in Form 27 on the 10th of August. As the final accounts may be corrected by subsequent entries (Article 204) their despatch should not be delayed merely by reason of their not being absolutely complete, but every endeavour should be made to incorporate in them all adjustments and corrections that can possibly be made by the date of despatch. The accounts for the other months, including the preliminary accounts for March, must be completed, carefully checked and signed, punctually on or before the last day of the next month, and in

order to prevent any oversight in this matter, a monthly certificate in the form prescribed in Article 206 should be submitted to the Controller of the Currency. The accounts of the Accountant General, Central Revenues, will, however, be closed on the 15th of the second month, in order to admit of the incorporation of the inward exchange accounts in the month's accounts to which they relate (*vide* Article 103).

Subsequent Entries.

203. The adjustment of charges for Revenue Survey conducted by parties of the Survey of India should be left to be made on the authority of the annual statement issued by the Accountant General, Central Revenues (see Article 107).

204. Correcting or additional entries made after the despatch of the final March account should be communicated to the Auditor General on the 10th of September and 10th of October, after which no entries will be permitted. An abstract should be sent with each batch of these entries on the prescribed dates. In the event of the corrections affecting an Account Current head, the officer must obtain the assent of the other officer, and certify in the copy of the correcting entry sent to the Auditor General that he has obtained it. All correcting or additional entries should be recorded by the despatching officer in a single statement, in which he should also include the entries made under instructions from the Auditor General.

When communicating to local Governments the corrections due to journal entries, a progressive account incorporating these entries should also be furnished.

1. For the preliminary account for March, the Detail Books will be dealt with as if no later accounts will be submitted; an abstract of transfer entries will be prepared and the Detail Book entries completed in ink, but below the grand total will be ruled lines for the exhibition of the effect of later adjustments for the final account for March (to be taken from an abstract of the later transfers), and correct totals for the month will be made below; subsequent or journal entries should be posted as *plus* or *minus* in red ink.

2. The reason why the adjustment was not effected before the closing of the final March accounts should be briefly stated against every journal entry.

Prohibition of Alterations.

205. (a) No alteration can be made in the Detail Books or Consolidated Abstract of any month after they have been closed. When errors are discovered in the same year, involving a correction by transfer of amounts from one detailed column to another under the same head, or from one head to another, the necessary corrections should be made by a formal transfer entry (see Chapter 11).

(b) But if the amount involved does not exceed ten rupees, and affects only revenue or service heads affecting the same Government, no formal transfer is necessary, and it is sufficient simply to make a note of the error against the original entry.

(c) If any error be detected after submission of the final account for March, it can only be adjusted by a journal entry, a copy of which should be submitted to the Auditor General in the usual course for approval.

NOTE.—Corrections between detailed heads under the same minor head do not require to be made by journal entry.

Civil Account.

206. On completion of the Consolidated Abstract, an account, in a form supplied by the Controller of the Currency, should be compiled from it and forwarded to the Controller of the Currency on the following day, *i.e.*, on the 1st of the second month. On the back of this form a certificate is attached, to the effect that the Consolidated Abstract for the month has been completed and signed. Care should be taken that this is actually the case before the certificate is signed. Every care must be taken to make the account correct, both in respect of the current and of the progressive figures, as the figures are printed by the Controller of the Currency and become the standard for reference. The Accountant General should also personally examine the figures before sending them on, as peculiarities in them may easily draw his attention to errors that may have occurred in the compilation of the account.

Distribution Statements.

207. On completion of the Consolidated Abstract, the distribution of the major head totals and of the entire revenue and expenditure among the various divisions should be worked out in separate distribution statements.

208. (a) The distribution statement for expenditure portion should be in Form 28 which brings out the total expenditure under—

- (1) Central—Non-Voted, Voted, Total.
- (2) Provincial—Reserved, Voted, Total.
- (3) Provincial—Transferred, Voted, Total.
- (4) Total Provincial.

(b) The similar statement for revenue should exhibit the figures under three columns only, *viz.*, Central, Provincial and Total.

(c) Each major head should be assigned a certain number of pages and progressive totals should be made monthly or as often in the year as may be necessary.

(d) An abstract of major head totals, separately for revenue and expenditure, in the forms referred to in clauses (a) and (b) should be added at the end.

209. A separate register in Form 29 should be maintained for distribution of expenditure incurred in India, against the various grants and primary units of appropriation. Each grant should be assigned a page or set of pages.

Under each grant the following information should be detailed showing expenditure month by month:

1. The accuracy of the figures posted in Form 29 should be tested in a separate abstract.

Finance and Revenue Accounts.

210. The Finance and Revenue Accounts (*vide* Article 15) are compiled by the Auditor General as far as possible from the final accounts for March and the statements mentioned in Appendix 1. Any further information called for by the Auditor General for the completion of these accounts should be furnished promptly.

Chapter 11.—Transfer Entries.

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Object of Transfer.

211. Transfer entries, that is, entries intended to transfer an item from one head of account to another, are necessary—

(a) In order to correct an error of classification in the original accounts ;

1. Sometimes it is more convenient to place in some accounts more than one head of

(b) In order to adjust, by debit or credit to its proper head, an item outstanding under a Debt head ;

(c) In order to adjust inter-departmental and other transactions which do not involve the receipt or payment of cash.

General Rules.

212. On one of the sides of every transfer entry there should be only one ledger head which may be debited by credit to *sundry* heads, or *vice versa* ; debits may not be taken against *sundry* heads by credit to *sundry* heads. *A fortiori*, the same entry may not contain independent corrections of two ledger heads ; it may not debit A by credit to B, and again C by credit to D.

In a transfer entry all particulars to explain both the nature of the adjustment and (if it is a corrective transfer) the grounds of the correction must be clearly stated.

213. A list of adjustments which have to be made periodically should be maintained in order to ensure that they are regularly made. These adjustments should, as a rule, be made monthly. If this is, however, found inconvenient and if the Accountant General considers that there are sufficient grounds for postponing them, they may be made quarterly. Unforeseen adjustments should, however, be made as soon as the necessity for them arises.

214. Annual transfers should, as a rule, be avoided. They are, however, allowed in the cases noted below :—

- (a) On account of lapsed bills and lapsed deposits.
- (b) On account of the charges for interest on Capital expenditure on Railways, Irrigation, Navigation, Embankment and Drainage-Works, and Posts and Telegraphs, including in the case of Irrigation Works, etc., the amount payable to the Central Government by provincial Governments.
- (c) On account of the cost of Stamps and Stationery supplied from Central stores to provincial Governments.
- (d) On account of interest payable by provincial Governments to the Central Government and *vice versa* on various accounts, e.g., outstanding Provincial Loan Accounts, Famine Insurance Fund Balances, Provincial Balances.
- (e) On account of interest on Service Funds.
- (f) On account of interest on Savings Bank Deposits, including deposits in Post Office Savings Banks, Regimental Savings Banks, and State Railway Provident Institutions.
- (g) On account of expenditure incurred in the Survey of India Department for local Governments.
- (h) On account of charges for stationery supplied to and printing done for Posts and Telegraphs, and printing work done by a provincial Government for the Central Government or *vice versa*.
- (i) On account of the cost of the anti-rinderpest serum supplied from the Imperial Bacteriological Laboratory, Muktesar, to provincial Governments.
- (j) On account of transfer to the Famine Insurance Fund of the unspent portion of the Famine Insurance grant of the year.
- (k) On account of miscellaneous adjustments referred to in Article 656 of the Audit Code.
- (l) On account of sums payable by one Government to another where it is agreed that the whole amount will be paid in a lump sum.
- (m) On account of joint establishment or on account of transactions where a fixed distribution of cost between Central or provincial or between two or more heads is prescribed and where it has been decided that such distribution should be made annually.

Correction of Accounts.

215. (a) If an item which properly belongs to a revenue or service head is wrongly classified under another revenue or service head, the error may

be corrected at any time before the accounts of the year are closed, in the manner directed in Article 205, but, after the accounts are closed, no correction is admissible, it being sufficient to make a suitable note of the error against the original entry. If, however, the error affects the revenue or expenditure of different Governments it must be corrected by transfer in all cases as soon as the error is discovered.

(b) An error which affects a debt or remittance head must be corrected by transfer, however old and however small it may be. If the accounts of the year in which the error took place are not closed, the correction should be made by removing the item from the head under which it was wrongly taken to that to which it properly belongs. If the accounts of the year in which the error took place are closed, then the following procedure should be followed in the cases referred to :—

- (1) Item taken to one debt or remittance head instead of another, —the correction will be made by transferring it from the one to the other.
- (2) Item credited to a debt or remittance head instead of to a revenue head, or debited to a debt or remittance head instead of to a service head,—the correction should be made by transferring it to the head under which it should originally have appeared.
- (3) Item credited to a revenue head instead of to a debt or remittance head,—correction should be made by debiting refunds and crediting the proper head.
- (4) Item debited to a service head instead of to a debt or remittance head,—correction should be made by debiting the proper head and crediting "Recoveries of Service Payments," under XXXV —Miscellaneous.

NOTE.—Errors in the accounts of Divisional Officers of the Public Works Department are governed by the rule in paragraph 585 of the Public Works Account Code.

216. (a) When a transfer entry is made on account of an error under a revenue or service head, the auditor should enter the amount in the District Classified Abstract in red ink, with a *minus* sign in the column of the month in which the error occurred and against the particular item from which it is transferred, while he will enter the amount with a *plus* sign, against the particular item to which it is transferred, in the column of the month in which the transfer is made, quoting the number of the entry in a note at foot of the page. If, however, the error occurred under a debt head, the transfer will be made by new entries in the month of correction, and need not be noted against the original entry. In the case of important transfers too, it would be well to note in red ink, across the original entry in the Detail Book, the month of its reversal, and across the correcting entry, the month of the original one.

1. The Superintendent who passes a transfer entry is responsible either for seeing that the proper note is made, if the document on which it is to be made is in his charge, or for giving notice of the entry to the Superintendent in whose charge the document is.

(b) When an adjusting transfer entry is made on the authority of a departmental account or other original document, if the item thus brought to account is an item of revenue or expenditure of any particular district, it should be entered in the Classified Abstract by a *plus* or *minus* correction in red ink and a reference to the transfer entry.

1 This does not affect the necessity of also noting on an Exchange Account the month's account which contains the corresponding entry.

2 When detailed statements of revenue are communicated, month by month, to the revenue controlling authority (Article 423 of the Audit Code), particulars of the correcting transfers made in the month's accounts should be given at foot.

3. When a transfer entry affects an item of receipt or expenditure of any particular district, a certificate to the effect that the necessary correction has been made in the District Classified Abstract should be given by the Superintendent of the Treasury Audit Section, and the Superintendent, Book Section, should refuse to receive any entry affecting district figures from any section of the office without such a certificate.

Outline of Procedure.

217. A correction by a transfer entry may be proposed by any section of the office, and should be accepted by the Book Section, if necessary particulars are furnished. If there is anything objectionable in the entry, or if it is not prepared in the proper form, the Book Section may require the entry to be passed by a Gazetted Officer. Original vouchers or other documents in support of the entry should be recorded in the section concerned and not sent to the Book Section along with the transfer entry.

1 Any delay on the part of the Book Section in taking over such entries should be reported by the section concerned to the Gazetted Officer in charge.

2 In some offices the transfer book is kept in the Compilation Section; in such cases the word *Compilation* should be read for the word *Book* throughout this Chapter.

218. (a) The addition or deduction which should be posted in the Detail Books on account of the transfer entries should be worked out from the separate transfer entries of all sections in accordance with the procedure described in the succeeding articles. This consists mainly of an abstract showing the debits and credits to be made under each detailed head affected by the entries of the month, the totals of the debits and credits of the month being necessarily equal.

(b) In the case of revenue and service heads, it is the net outcome of the transfer entries against each, i.e., the balance of the head in the combined ledger and abstract, which appears as a debit or credit in the abstract; but in the case of debt or remittance heads, the gross credit and the gross debit will both appear in the abstract—the former in the receipt part, the latter in the disbursement part, as these heads have corresponding accounts on both sides.

1. When large transfers are made from one debt head to another, in order to correct the original classification in the accounts, the correction should always, if possible, be made by a *deduct* entry against the original debit or credit, so as to prevent *exaggeration of the transactions* in the accounts. The principle of this rule applies to all analogous cases of original transactions.

219. A transfer entry number book should be maintained in each Audit or Accounts Section in which should be entered in brief but clear detail each transfer originating in that section. The entries proposed by the several sections should be numbered serially by each, a distinctive letter being used by each section and these numbers entered in their respective number books. The books maintained in the sections where Classified Abstracts are prepared should also include the entries originating elsewhere, and thus be a complete permanent record in such sections in district details of the entire body of entries which flow into the accounts, after the Classified Abstracts have been closed; but such entries should not be renumbered, the numbers originally given to them being entered with the distinctive letter indicating the section of origin. It should be certified by the Superintendent, Audit Section, for each entry he frames, by the Superintendent, Book Section, for each entry he receives, and by the Superintendents of other sections for the transfers they have proposed, and a column should be reserved for the district auditor's certificates of note or posting of each entry on the face of the Classified Abstract. The Superintendent of each Audit Section will check the number book entries with the postings made on the Classified Abstract, and note the fact of check and agreement at foot of the number book. The book should be submitted monthly to the Superintendent and the Gazetted Officer for scrutiny, which will mainly consist in seeing that the entries recorded therein have been duly taken over by the Book Department. It will also give the Gazetted Officer an idea of the general efficiency of the check of classification in the section. The Gazetted Officer should take this opportunity to notice specially the number of transfer entries necessitated merely by the mistakes of the Audit office, and take adequate steps to avoid their recurrence.

Posting in Detail Book.

220. From the right hand money columns of the Combined Transfer Ledger and Abstract, the figures will be posted in the corresponding columns of the Detail Book, immediately under the total of cash transactions (see Article 196). The debits to a revenue head of receipts, and the credits to a service head of charges, will appear in the "deduct" line, but all other entries (with the exception of the kind mentioned in Rule 1 to Article 218) are entries of addition and will appear in the "add" line.

Detailed Procedure.

Forms used.

221. The following forms are prescribed for arriving at the total net results of the transfers to be posted into the Detail Books under the various revenue, service and debt heads :—

1. Form of separate entries (Form 30).
2. Index of Transfer Entries (Form 31).
3. Combined Transfer Ledger and Abstract (Form 32).

At the commencement of the year, a file book should also be prepared into which the entries may be pasted, and some numbered pages of blank index forms inserted at the commencement.

1 If the first file becomes too large for convenient use, a second file book (with index) may be commenced from a convenient date, any blank space on the old index being cancelled by cross lines under the initials of the Superintendent; but, if possible, the two sections should be bound together at the end of the year, and the series of transfer numbers must be continuous for the year.

Separate entries.

222. As soon as any correction or adjustment becomes necessary the officer who proposes it should prepare a separate entry (Form 30).

Index Register, and Combined Transfer Ledger and Abstract.

223. After obtaining the signature of the Superintendent of the Book Section, the clerk or messenger of the section which makes the transfer will make over the entry to the transfer-book-keeper, who, on the authority of that signature, will proceed to bring it on his Index register (Form 31). He should first fill up number and date in the heading of the transfer entry and then make the requisite entries in the Index. The requisite entries in the first five columns of the Combined Transfer Ledger and Abstract (Form 32) should then be made and certified in the proper spaces of the entry, and thereafter the entry itself should be pasted, in continuation of those already received, on the file.

1 The section which makes the transfers is only cleared of its responsibility when it has obtained the receipt of the Book Section on the transfer entry number book (Article 219). The Book Section should never, on any pretext, allow an entry, whether of its own or of any other section, to leave its custody without having notified the transfer-making section, or the transfer may be lost.

2 The Superintendent of the Book Section should examine the file daily, to see that no entries in the index are unsupported by their corresponding entry posted in the file, and he should also keep up a constant comparison of the original entries with those posted in the Combined Transfer Ledger and Abstract, in order to prevent the clerk in charge from marking off an item which he has not posted.

224. A Combined Transfer Ledger and Abstract will be kept in Form 32. The Royal paper generally used for classified abstracts should be used for this form. If the number of transfer entries in an office is usually very large, separate volumes of this form may be maintained for different major heads according to the number of the entries usually anticipated thereunder,

the form for each major, minor and detailed head under which transfers are expected. The forms with the requisite heads printed therein should be bound into convenient and handy volumes, at the beginning of the year, before being brought into use.

225. The transfer entries, after being noted in the index (Form 31), will be posted individually into the left hand columns of the Combined Transfer

Ledger and Abstract, against the respective heads affected. The columns "General Number" of the entry and the "District," which provides for the name of the district or department in whose accounts the original entry appeared, should be filled in at the same time.

If the space provided for a head be insufficient, a note in the margin will carry the eye to the place where the entries are continued, which may, for convenience, be after all the usual heads; but a little foresight would avoid this necessity. Similarly, if a transfer be made under a head not common to the affected, and therefore not provided for, a note in the margin below the last preceding head will refer the Detail Book poster to the place where it will be found.

Closing of the Combined Transfer Ledger and Abstract.

226. The Combined Transfer Ledger and Abstract will be closed, as soon as the last Classified Abstract of the month is sent in, and a line should also be then drawn across the index. The book will be closed by totalling, under each head, the figures in the columns on the left, and carrying into the columns on the right the balance in the case of revenue and service heads, and the totals (except as stated in Rule 1 to Article 218) in the case of debits and remittance heads. The totals of the two money columns on the left need not be carried forward, but the amounts in the two money columns on the right hand side should be totalled and agreed. After the Combined Transfer Ledger and Abstract is thus proved by the agreement between the totals of these two columns, an abstract should be drawn up as indicated in Article 512 of the Audit Code, and the book should be laid before the Accountant General with the file of original entries (for reference if necessary). When it is passed by the Accountant General, the Detail Books should be posted from the columns on the right, the poster ticking off each entry as he posts it. At the end of the year, the monthly volumes of the Combined Transfer Ledger and Abstract should be arranged in order of the months and bound into convenient volumes.

Chapter 12.—Journal and Ledger.

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NOTE.—The procedure detailed in this Chapter is tentative and is liable to certain changes which are under consideration.

Forms.

227. The form of the Journal is Form 33. The ledger forms are 34 and 35, the former for Debt and Remittance heads which are closed to balance; the latter for Revenue, Service, Capital and Remittance heads which are closed to Government (see Article 235).

Heads.

228. The accounts to be opened on the Ledger may be classified as follows:—

- (1) Opening and closing heads, viz., Government, General Revenue Account, Grant Account, Balance.
- (2) Revenue heads, } under the major heads given in Appendix
- (3) Expenditure heads, } 7 of the Audit Code.
- (4) Capital and Remittance heads which are closed to Government (see Articles 238 and 240).
- (5) Debt heads and Remittance heads which are closed to balance (see Article 240) being the major and minor heads of the list given in Appendix 7 of the Audit Code.
- (6) Personal accounts of Collectors who are in account with the Accountant General, including Local Remittances in transit and also the following special heads, viz., "Departmental Accounts," "Exchange Account Abstract," and "Transfers," under which the entries on both sides must always be the same.

NOTE.—The question of splitting up these heads, where necessary, between Central and Provincial, is under consideration.

Opening the Books.

229. The books are opened by transferring from balance account to the various debt heads and personal accounts the debtor and creditor balances with which they closed on the previous year's books.

1. The processes are here described as if they took place in their natural order. As a matter of fact, the opening entries just described cannot be made until the books of the pre-

vious year are closed, which can never be until half the new year is passed and half the transactions of it duly posted in journal and ledger. But immediately on closing the books of any year, the balances at credit or debit of the several debt and other balanced heads should be carried forward to the books of the next year.

230. At the commencement of each year and immediately after the sanction of the Budget, the entire amount of the estimated revenue and expenditure under Service Heads (other than Capital Expenditure not charged to Revenue) must be brought upon the books in one sum for each, viz., the estimated revenue by a credit to the head of Government and debit to General Revenue Account, and the expenditure by a debit to the head of Government and a credit to Grant Account.

231. The amount of the estimate under each major head of receipt and expenditure will be detailed in an inner column of the journal and also of the ledger under the heads General Revenue Account and Grant Account, respectively. The columns to be provided in the ledger under General Revenue Account will be—

Debtor side.

- (1) Journal page,
- (2) Particulars,
- (3) Excess,
- (4) Deficiency,
- (5) Budget Estimate, 19 -19 ,
- (6) Total.

Creditor side.

- (1) Journal page,
- (2) Particulars,
- (3) Revenues of the year 19 -19 ,
- (4) Total.

And under Grant Accounts—

Debtor side.

- (1) Journal page,
- (2) Particulars,
- (3) Excess,
- (4) Deficiency,
- (5) Actuals, 19 -19,
- (6) Total

Creditor side.

- (1) Journal page,
- (2) Particulars,
- (3) Budget grants, 19 -19
- (4) Additional Grants,
- (5) Total.

books; but any grant form-
brought to credit of Grant
services be reduced, credit

Monthly Entries.

232. The accounts of each month are journalised by two entries headed respectively—

Sundry Accountants, etc., *Dr. to*

Sundry Revenue and other accounts, for the revenue and receipts of the month; and

Sundry Service and other accounts, *Dr. to*

Sundry Accounts, etc., for the disbursements of the month.

NOTE—For the account for the month of March, the final March account figures only are to be taken.

233. In the journal two pairs of totals only should be entered, the description being "for the revenue and receipts (and for the disbursements) of the month of _____ as per detail of ledger heads in the Consolidated Abstract and the Statement of Disbursers' Accounts".

234. In the monthly entries the figures against sundry accountants (that is, the personal accounts) are to be taken from the Statement of Disbursers' Accounts; those against the "Revenue and other" and "Service and other" accounts, are to be taken from the Consolidated Abstract. The receipt and disbursement sides of the abstract must necessarily exactly tally with those of the disbursers' accounts (Audit Code, Article 511).

235. The Ledger should be posted monthly from the entries in the Consolidated Abstract. The Revenue, Service and Capital heads and such of the Remittance heads as are closed to Government will be posted by major heads only, and the Debt heads and Remittance heads, which are closed to balance (see Article 240), in detail of ledger heads, i.e., each prescribed Debt head or Remittance head which closes to balance and each Collector's account is a separate ledger head. The inner columns in the Ledger should be used for details subordinate to the prescribed heads.

1. In the debt and personal classes of accounts, the inner columns, if not required for recorp of subordinate details, can be conveniently used as independent headings, so that several accounts can be introduced in the same folio, this arrangement will facilitate their being grouped in classes

236. The procedure for keeping the account of provincial Governments is described in Chapter 15.

Closing the Books.

237. The books may not be formally closed until orders are received from the Auditor General.

238. The major heads will be closed, in the case of revenue, to General Revenue Account; in the case of expenditure under Service Heads (other than Capital Expenditure not charged to Revenue), by Grant Account. The major heads of Capital Expenditure not charged to Revenue are closed directly to Government. The head General Revenue Account will thus show the amount of the revenue estimated and the revenue actually realized under each major head; the excess or deficiency under each head will be shown in separate columns, and the net excess or deficiency (as the case may be) will be credited or debited to the head of Government.

239. In like manner, the head Grant Account will show the amount of the sanctioned grant under each major head charged to Revenue and the expenditure out of it. The savings or excess expenditure under each head will be shown in separate columns, and the net saving or excess will be carried to credit or debit of the head of Government.

240. The Debt and Remittance heads and personal accounts are separately closed to balance, except that the heads under "Gold Standard Reserve,"

"Imperial Bank Deposits," "Remittances adjusted on the Central Books," "Accounts between Civil and Civil," "Accounts between Civil and other Departments," and "Remittance Account between England and India" are closed to Government.

1. The reason for this exception lies in the fact that the books of each office show only one side of each of these accounts, so that the true balance can be shown only on the central books of the Auditor General where both sides are brought together.

Journal Totals.

241. The totals in the amount columns of the journal should not be closed at the end of the month, but carried forward continuously till the end of the year. They should be entered in pencil only, until the orders of the Auditor General permit the opening entries to be posted (Article 229, Rule 1).

1. The journal totals, after the completion of each journal entry, should, of course, be equal.

Trial Balance Sheet.

242. The accuracy of the ledger postings must be tested quarterly by the preparation of a trial balance sheet in Form 36. A copy of it for the fourth quarter only should be forwarded to the Auditor General; for the first three quarters a certificate should be submitted to the Auditor General to the effect that the trial balance has been made out, proved, and recorded.

1 In the Ledger, space may be left after each quarter, in order that the figures for the required trial balance sheet may be more easily made up.

243. The posting of the Journal and the preparation of quarterly Trial Balance Sheets should not be deferred till the opening entries can, under the Auditor General's orders, be brought on the new year's books.

Chapter 13.—Verification of Balances.

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Review of Balances.

244. The accounts of the year are not complete until the balances upon the Ledger under the Debt heads and the outstandings under the Remittance heads have been verified. Accordingly, after the despatch of the final account for March, and in advance of the formal closure of the books, an explanatory statement of closing balances, called the Review of Balances, should be submitted to the Auditor General in the form of a general report, which will take up each of the heads in succession. The report which should be printed should contain —

- (1) A statement of each ledger balance which is to be explained.
- (2) An explanation of the nature and conditions of the liability involved in it.
- (3) A statement of the nature of the detailed accounts kept of the transactions connected with it; and how far the final results of these detailed accounts work up to, and agree with, the balance on the ledger.
- (4) Information as to whether the person or persons by whom the balance is owned or from whom it is due, admit its correctness, and, if they do not, where the difference lies. This would not apply to such items as deposits or ordinary advances, but it should be explained how far the latter are believed to be really recoverable.

Part of the explanations under heads (2) and (3) would necessarily be the same year after year; and there is no occasion to repeat every year the same information, for which reference may be given to a previous report.

245. The paragraphs of the review should be numbered and the name of the province should be printed at the head of each page of it.

This report is due on or before the 10th November of each year; but a great part of the work can and should be done even before the completion

of the final account for March. It should be taken up by the Accountant General personally.

NOTE—The Accountant General, Central Revenues, will submit the review for Central Revenues about the middle of December.

246. It is usual as regards certain of the heads (e.g., Article 264) to submit as appendices to the general report special reports which have been made at an earlier date. In all such cases the general report should bring the information as regards these heads up to date by specifying any action which has been taken since the submission of the special reports.

247. As soon as the review has been issued, a list should be drawn up of all the cases in which any action is still required, and the Auditor General should be informed of any subsequent reconciliations which may be effected and acknowledgments which may be received between the date of issue of the review and the 15th of February following, references being invariably made to the paragraphs of the review affected. The Accountant General, Central Revenues, will submit his supplementary report on the 1st of March.

NOTE—Discrepancies that may remain unsettled after the submission of the supplementary report.

248. The following rules give directions as to the verification required in several cases, and indicate what is required in the cases not specifically mentioned.

Deposits of Local Funds.

249. The balances worked out in the broadsheets prescribed for Deposits of Local Funds in chapter 15 of the Audit Code each year should be communicated to (and, if necessary, accepted by) the officers charged with the administration of the Funds.

Loans and Advances.

250. The Ledger balance should be verified against the outstanding principal of the loan shown in the special loan registers. It should also be stated whether the conditions of each loan have been fulfilled and whether the balances due at the end of the year (or if, in the case of any loan, another periodical date is fixed for making up the account, then at the last previous date of making up the account) have been communicated to, and not been objected to by, the debtors. This verification should be separately reported to the local Government.

of the final account for March. It should be taken up by the Accountant General personally.

NOTE.—The Accountant General, Central Revenues, will submit the review for Central Revenues about the middle of December.

246. It is usual as regards certain of the heads (*e.g.*, Article 264) to submit as appendices to the general report special reports which have been made at an earlier date. In all such cases the general report should bring the information as regards these heads up to date by specifying any action which has been taken since the submission of the special reports.

247. As soon as the review has been issued, a list should be drawn up of all the cases in which any action is still required, and the Auditor General should be informed of any subsequent reconciliations which may be effected and acknowledgments which may be received between the date of issue of the review and the 15th of February following, references being invariably made to the paragraphs of the review affected. The Accountant General, Central Revenues, will submit his supplementary report on the 1st of March.

NOTE.—Discrepancies that may remain unsettled after the submission of the supplementary report should be carefully watched and their reconciliation reported to the Auditor General on the 1st of May and the 1st of August of the second year following that to which they relate. As a rule discrepancies reported in the Review of Balances of one year should be settled before the review of the next year is submitted. In the rare case of any discrepancies remaining unsettled even then, the review for the next year should differentiate between the discrepancies of the year and those relating to previous years, and should mention separately the action taken in respect of each. A similar differentiation should be made between the outstanding balances relating to the year of review and those relating to previous years, and any delay in the recovery of old items should be specially explained.

248. The following rules give directions as to the verification required in several cases, and indicate what is required in the cases not specifically mentioned.

Deposits of Local Funds.

249. The balances worked out in the broadsheets prescribed for Deposits of Local Funds in chapter 15 of the Audit Code each year should be communicated to (and, if necessary, accepted by) the officers charged with the administration of the Funds.

Loans and Advances.

250. The Ledger balance should be verified against the outstanding principal of the loan shown in the special loan registers. It should also be stated whether the conditions of each loan have been fulfilled and whether the balances due at the end of the year (or if, in the case of any loan, another periodical date is fixed for making up the account, then at the last previous date of making up the account) have been communicated to, and not been objected to by, the debtors. This verification should be separately reported to the local Government.

262. After the credit of lapsed bills to Government (Audit Code, Article 384 and 391), the amounts of the outstanding bills should be carried, in the issue lists, into the balance column. The balances of each year's bills added to the total payments of the same year's bills should agree with the total drawings (in respect of bills of the year just closed) or with the balance outstanding at the end of the previous year (in respect of bills of the two former years); and this agreement should be complete, both for the whole and for each District or Province drawing.

263. The forward balances will then be posted into statements (Form 37) of which the totals ought to agree with the Provincial Ledger balances.

264. The statements will be despatched to the Auditor General on the 1st September, in advance of the Review of Balances

Remittance Heads.

265. Instructions regarding the explanations of the balances outstanding under Accounts Current heads are contained in the relevant chapters. The annual report should merely note how far the outstandings of each Account Current have been explained, and whether they are likely or not to be soon adjusted.

Cash Balances.

266. The balances under the personal accounts, showing the cash balances, are to be agreed with the balances acknowledged by the various officers in the cash balance reports for March

1. The Controller of the Currency will agree the balances shown under the head "Deposits at the Imperial Bank" in the books of the Accountant General, Central Revenues, with the balance acknowledged by the Bank.

Public Works Balances.

267. The review should also include the balances which appear in the accounts of Divisional Officers of the Public Works Department. These balances are of three classes :—

- (a) Debt Heads, i.e., (1) Public Works Deposits, (2) Civil Advances—Advances of the Public Works Department, Takavi Works Advances, (3) Cemetery Endowment Fund, and (4) Civil Departmental Balances—Public Works Balances.
- (b) Suspense Accounts subordinate to the minor head "Suspense" under different major heads of expenditure. These are (1) Purchases, (2) Stock, (3) Miscellaneous P. W. Advances, (4) London Stores, and (5) Workshop suspense.
- (c) Suspense accounts subordinate to accounts of works—i.e., (1) Materials, (2) Contractors—Advance payments, (3) Contractors—Secured Advances, (4) Contractors—Other Transactions, and (5) Labourers.

256. In the case of advances to cultivators and similar advances which do not enter the Objection Book, the balance should be proved by obtaining from each local officer, who has authority to make such advances, an acknowledgment that the amount outstanding against him on the books of the Accountant General is the same as that shown as recoverable upon the registers and accounts kept by him.

ation as to whether instalments in repayment of these advances have been regularly recovered.

2. Acknowledgments of advances to meet payments for compensation for lands taken up for public purposes should be obtained from the District Officers, and the fact mentioned in the review.

3 For Takavi Works Advances, see Article 268.

Permanent Advances.

257. The amounts remaining unadjusted upon each district (and other) account in the register (Audit Code Form 37) must be verified by means of annual acknowledgments from the officers concerned (see Article 93 (7) of the Civil Account Code). The aggregate of the outstandings should be made up from the register and tallied with the Ledger balance (Audit Code, Article 418).

Account Current with Indian States.

258. The balance under the head "Account Current with Indian States" should be communicated to the States concerned, and their final acceptance should be obtained. The fact that this was done should be mentioned in the review.

Cash Remittances.

259. The balances under the cash remittance heads are composed of credits unadjusted by debits, and debits unadjusted by credits. The details of these unadjusted items should be extracted from the remittance register (Audit Code Form 36), showing the month to which each item belongs. The net balance of each class of remittances should agree with the balance of the corresponding ledger head. These extracts should be submitted in support of the Review of Balances (Article 244).

Public Works Remittances.

260. The balances under Public Works Remittances are reconciled with the ledger in the manner prescribed in Article 688 of the Audit Code.

Bills.

261. The verification should be made separately for the four classes, viz., Supply Bills, Local and Foreign and Remittance Transfer Receipts, Local and Foreign.

262. After the credit of lapsed bills to Government (Audit Code, Articles 381 and 391), the amounts of the outstanding bills should be carried, in the issue lists, into the balance column. The balances of each year's bills added to the total payments of the same year's bills should agree with the total drawings (in respect of bills of the year just closed) or with the balance outstanding at the end of the previous year (in respect of bills of the two former years); and this agreement should be complete, both for the whole and for each District or Province drawing.

263. The forward balances will then be posted into statements (Form 37), of which the totals ought to agree with the Provincial Ledger balances.

264. The statements will be despatched to the Auditor General on the 1st September, in advance of the Review of Balances

Remittance Heads.

265. Instructions regarding the explanations of the balances outstanding under Accounts Current heads are contained in the relevant chapters. The annual report should merely note how far the outstandings of each Account Current have been explained, and whether they are likely or not to be soon adjusted.

Cash Balances.

266. The balances under the personal accounts, showing the cash balances, are to be agreed with the balances acknowledged by the various officers in the cash balance reports for March.

1. The Controller of the Currency will agree the balances shown under the head "Deposits at the Imperial Bank" in the books of the Accountant General, Central Revenues, with the balance acknowledged by the Bank.

Public Works Balances.

267. The review should also include the balances which appear in the accounts of Divisional Officers of the Public Works Department. These balances are of three classes :—

- (a) Debt Heads, i.e., (1) Public Works Deposits, (2) Civil Advances—Advances of the Public Works Department, Takavi Works Advances, (3) Cemetery Endowment Fund, and (4) Civil Departmental Balances—Public Works Balances.
- (b) Suspense Accounts subordinate to the minor head "Suspense" under different major heads of expenditure. These are (1) Purchases, (2) Stock, (3) Miscellaneous P. W. Advances, (4) London Stores, and (5) Workshop suspense.
- (c) Suspense accounts subordinate to accounts of works—i.e., (1) Materials, (2) Contractors—Advance payments, (3) Contractors—Secured Advances, (4) Contractors—Other Transactions, and (5) Labourers.

268. Balances of class (a) only appear in the Ledger and are verified as detailed below :—

- (i) Balances of the heads Public Works Deposits and Takavi Works Advances are reconciled with the Ledger, month by month, through the broadsheet in Audit Code Form 64, *vide* Article 619 of the Audit Code.
- (ii) Credit transactions only appear under the head Cemetery Endowment Fund, and they are verified monthly with the Ledger through the broadsheet in Audit Code Form 65, *vide* Article 642 of the Audit Code. The balance at end of the year should be agreed similarly.
- (iii) The closing cash balances of Divisional Officers as given in their Monthly Accounts for March are verified individually in the Works Audit Department with the original Cash Balance Reports, P. W. A. Form 5, for that month, received from the Divisional Officers, and the aggregate of these balances should be reconciled with the balance in the Ledger.

269. Monthly debits and credits to the Suspense Accounts of class (b) are verified month by month with the Detail Book, *vide* Article 619 of the Audit Code. At the close of the year the balance under each suspense account should be worked out independently, by adding to and deducting from the balance of the previous year the total debits and credits of the year as per Detail Book, and the resultant balance should agree with the balance worked out in the broadsheet.

270. The Suspense Accounts of class (c) are not provable with the general books and the figures reported by Divisional Officers in Certificate No. 4 of P. W. A. Form No. 91 should be accepted as correct, as they are verified by Divisional Accountants with the relevant record of divisional offices. The aggregate of the balances reported by all Divisional Officers will make up the balance for the whole province. Large fluctuations may form the subject of special enquiry.

271. The general review of the balances of all these classes should be on the lines of Certificates, 1, 2, 3 and 4 of P. W. A. Form 91. As regards the balances of Stock, it should further be stated whether the Half-yearly Registers of Stock, Form 12, for the year have been audited, either in the Central office or at local inspections. Cases in which the Stock in hand was verified by a member of the Audit Department (*vide* paragraph 211 of P. W. A. Code) should also be mentioned, with suitable remarks on the general results of the verification.

Chapter 14.—Subsidiary Account of Loans and Advances.

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General.

272. Sums of money are occasionally advanced to Corporations and to individuals by Government for special reasons and on conditions which are generally stated in full in the orders sanctioning the advances. The following general instructions must be taken as supplementary to those special conditions; they do not apply to house-building and other advances made under standing rules.

273. These loans may be of several kinds; they may bear no interest or they may bear an excessive nominal rate, part being carried to credit of a Sinking Fund; they may be repaid by fixed annual instalments including interest, or the instalment of repayment may be in addition to interest; they may be repaid by periodical instalments of not less than a fixed sum, or the condition of repayment may only be the clearing of the loan in fixed time.

274. For each class of loans a separate local ledger head will be opened in the accounts subordinate to the central ledger heads 'Q—Loans and Advances by the Central Government' and 'R—Loans and Advances by provincial Governments.' These heads will be debited with the advances and credited with the repayments which appear in the accounts of each month.

Issue of Loan Money.

275. The following are the rules under which payments may be made:—

I.—Every loan to a Municipality, Port Trust, Indian State or other Corporation will be recorded in the books of the Civil Accountant General concerned, and no part of it may be issued except under his orders.

1. See note under Article 278.

II.—No public department or public officer may incur any expenditure or any liabilities against such loan funds, unless a statement in writing is first obtained from the Accountant General that the amount is available out of the loan funds and has been

placed in a separate account by the Accountant General so as to be available for the proposed expenditure.

NOTE.—This "separate account" will be opened upon the subsidiary register prescribed below.

III.—The Accountant General, before setting apart any part of the loan under the last rule, will ascertain that the Municipality or other body responsible for the loan has assented to the arrangement, or that it is distinctly stated by Government among the terms of the loan.

IV.—Funds spent by any public department or officer under Rule II shall reckon for interest as if they were drawn on the last day of the month in the accounts of which they are included by the spending department or officer.

NOTE.—Rules II to IV may be modified at the discretion of the Government concerned

276. In the case of works constructed by departmental agency out of loans granted by the Central or provincial Government, the Accountant-General should keep that authority informed of the progress of outlay to enable it to watch and take notice of any tendency to an excess and check it in due time as far as possible.

277. As regards advances from the Provincial Loan and Advance Account, the Accountant-General should furnish the local Government with full information to enable it to judge from time to time whether there is a risk of any excess over the *net* amount provided in the demand; and if there is at any time a probability of a large excess in the net outgoings, he should report the fact at once to the local Government.

Subsidiary Loan Register.

278. For these loans, except Revenue Advances, two subsidiary Loan Registers will be kept in the annexed Forms A and B. Form A will be for those which are repayable by direct credit of the repayments to the principal of the loan, and Form B for those which are repayable by payments into a Sinking Fund. In both cases a separate page should be set apart for each loan. Before posting recoveries, whether of principal or interest, into the Classified Abstract, the auditor will obtain the initials of the poster of the Loan Register against the entries in the treasury account to show that they are correct. The poster of the Loan Register, after reference to the Detail Books, will make the necessary postings from the treasury accounts, and also post into a broadsheet the total amount recovered or paid for each loan, and the total in the broadsheet should be certified monthly by the Book-keeper, while the register as well as the broadsheet should be reviewed monthly by the officer in charge.

NOTE.—In the case of loans granted to various petty Indian States in Bombay which do not exercise any jurisdictional powers, detailed accounts are maintained by the respective Political Agents under the orders of the local Government.

4. The sum of R20,000 in the foregoing example would not, in practice, be entirely credited to principal, but it is so entered here in order to illustrate how the account may be made up under various possible contingencies.

Form B.

Loans repayable by payment into a Sinking Fund.

DATE AND VOUCHER		ACCOUNT OF PRINCIPAL OF LOAN.		CALCULATION OF INTEREST ON ADVANCES		ACCOUNT OF INTEREST DEMAND				ACCOUNT OF BALANCE.				CALCULATION OF INTEREST.	
DATE	Voucher	Amount advanced.	Balance	Period	Amount	Interest due.	Interest realised.	Balance	Date	Particulars.	Payments into Sinking Fund	Periodical credits on account of interest	Total Balance.	Period.	Amount.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

279. The columns under "Date and Voucher," "Account of Principal of Loan" and "Account of Interest Demand" in the Register referred to in Article 278 should be filled in as soon as the transactions are reported from the Bank sheet or the Cash Account or the Transfer Entry for the adjustment of the periodical interest on the Deposits of the Sinking Fund is made. The calculation of interest will be made at the same time by the aid of the table in Appendix 4. It will be observed that these columns show the interest that *will* be chargeable on the next periodical day, and that the amount of interest deduced upon them is not actually debitable against the borrower until the next periodical day.

1. A loan bears interest for the day of advance, but not for the day of repayment.

Loan Expenditure by Public Works Department.

280. In cases where the loan expenditure is, under special orders, to be conducted and controlled by the Public Works Department, the amounts chargeable to the several loan accounts will appear monthly in the Civil Account through the Monthly Accounts of Divisional Officers.

281. The amounts will be charged in the subsidiary register above prescribed, and will bear interest as though they had been advanced on the last day of the month in which the expenditure actually appeared in the Monthly Accounts.

Payments in Discharge of Loan.

282. Nothing may be credited as repayment of principal or into the Sinking Fund so long as any sum is due on account of interest unpaid.

1. Interest for any half-year (or year) is not "due" until the end of the half-year (or year) during which it accrues.

Periodical making-up of the Account.

283. After all entries up to, but not including, the date on which interest becomes due have been made, a line will be drawn across the page. First the interest account of the past half-year must be made up by deducting the amount paid on account of interest from the demand on that account entered in the "Amount due" column, and bringing down "Balance of interest due." Then a calculation must be made of the

due interest of the previous half-year.
A, the second and third columns of the
must be totalled, and the excess of the total of the second over the total of the third carried into the "Amount due" column. The total interest due and the total principal due will then be made up, and the account will be opened for a new period. The account of the Sinking Fund in Form B will be similarly completed at the same time, the amount of interest due being credited at the end of the period.

1. If interest is payable yearly, instead of half-yearly, the account will be made up only once a year.

284. A copy of the account as thus made up, and of the new statement of demand, should be sent to the debtor.

Sinking Fund.

285. Moneys paid to a Sinking Fund for repayment of loan should be credited to the head "Deposits of Sinking Funds—Other Sinking Fund Deposits," and entered in the Register in Form B prescribed in Article 278. Interest will be allowed on these deposits at the same rate as the loan itself bears. The interest payable on these deposits should be credited to the Sinking Fund by deduction from the receipt on account of interest on the loan. When the total balance of the Sinking Fund comes to the amount of the loan, the credit under "Deposits of Sinking Funds—Other Sinking Fund Deposits," and the debit "Sinking Fund Repayment," etc." should be written off against each other.

Audit of Receipts.

286. The subsidiary register will give the Accountant General the means of seeing that both interest and instalments are repaid on the due date, and,

in case of delay, he should at once address the officer who is in direct communication with the debtor or charged with the administration of the property or of the Corporation to which the loan is made. The debtor should be warned either by this officer, or, if the loan is not on any district account, by the Accountant General, when any payment, either of interest or of principal, is about to fall due from him ; but omission to give this warning, of course, gives the debtor no claim to exemption from the consequences of default.

Default.

287. The occurrence of default in payment either of principal or of interest, if not immediately remedied, should be reported without delay to the Government by which the loan was sanctioned.

Annual Returns.

288. Each Accountant General will submit annually on the 30th September to the local Government and the Auditor General two statements in Form 38 of the loans borne on his books, except loans to Indian States, one showing the details of the loans and advances classified according to classes coming under the "Loans and Advances by the Central Government" Account, and the other showing the details of those coming under the "Loans and Advances by provincial Governments." The statements should show separately the details of each loan under each of the classes, Loans to Presidency Corporations, and Loans to Landholders and other Notabilities. Loans under special laws should be classified under the different Acts of Legislature under which they have been granted, and no other details are required. Advances to cultivators should be shown in lump sums, the land improvement advances being shown separately from those for the relief of agricultural distress and other purposes. For these the first four columns and the last column of the statement need not be filled in. Before despatch these returns should be agreed with both the ledger and the subsidiary register ; the entries in the former should be borne out in all respects by the latter record, and the interest columns of the return should also be verified with the latter.

289. For loans to Indian States an annual statement will be compiled in Form 39 in two sections, A and B, showing separately the loans granted for famine and for general purposes remaining unpaid up to the year in respect of which the return is prepared, the loans granted during the year under report being grouped together and shown at the end of the statement. The statement will be submitted by the Accountants General to their respective local Governments by the 1st August.

A statement of loans made by Government to Indian States will also be submitted to the Auditor General in Form 38 by the 15th September.

290. Accountants General will also submit annually on the 30th September to the local Government a statement in Form 40 of the Sinking Funds on account of the different loans borne on their books. The arrangement in this

statement will follow that of Form 38. There will be no record of the progress of the Sinking Fund in the subsidiary register; the interest realised on the securities of the Fund will be credited with the other cash receipts in column 5 of Form 40. If the investment is not exclusively in Government loans bearing interest at 4 per cent., a separate detail should be submitted, showing the rate of interest borne by each part of the investment.

291. The local Government may desire that arrangements should be made for a yearly examination, by the Accountant General, of the Sinking Funds constituted for the repayment of loans raised by local bodies. In such cases, the examination should be devoted mainly to ascertaining :—

- (i) that the scheme of liquidation prescribed, as the basis of each Sinking Fund, is financially sound ;
- (ii) that the fund contains the amount which would have been accumulated if the scheme of liquidation in respect of each Sinking Fund had been worked up to in respect of the amount at credit of the fund and the interest which it anticipated ;
- (iii) that the investments of the Sinking Fund are sound and are valued at their market price.

Defects in the scheme of liquidation, the deficiency, if any, found in the fund, any unsound investment, or unusual depreciation in the market price of any investment should be prominently brought to the notice of Government in the Accountant General's certificate of examination.

Chapter 15.—Accounts and Balances of provincial Governments.

Monthly Provincial Account	292	Transfers between the Central and provincial Governments	296
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1 Monthly Provincial Account.

292. The provincial Government should be furnished with a monthly account of its transactions in such form and detail as is required. The figures for this account will be posted from the distribution statement referred to in Article 208 for transactions under revenue and service heads, and from the Consolidated Abstract for transactions under capital and debt heads. The account will also include the home transactions of the provincial Government as shown in the monthly accounts furnished by the Secretary of State and the High Commissioner, the sterling figures therein being converted for the purpose into rupees at £1=Rs. 10 and entered either in lump sums after all the Indian transactions or against each major head in a separate column, according to the wishes of the local Government. The former course is preferable, as the monthly Home accounts may not be received in time for the figures to be included in the same month's account. The form of the account will be determined by each provincial Government, but Form 41 is recommended for adoption.

The opening and closing balances should be entered in the progressive columns of the account so as to produce a balanced account.

When communicating to provincial Governments the corrections due to journal entries, a progressive account incorporating these entries should also be furnished.

Balances of provincial Governments.

293. The balances at the credit of the provincial Government are worked out in the monthly accounts mentioned in the preceding Article, but no adjustments are made in the accounts on account thereof until after the close of the year.

294. The adjusted balances of provincial Governments are shown as deposits under the head "Balances of provincial Governments" in Section V of the accounts. With a view to adjust these balances, a statement in Form 42 is prepared as soon as the last batch of journal entries of the year have been submitted to the Auditor General.

The transfers between the Central and provincial Governments referred to in Article 296 appear in this statement on the revenue side as *plus* entries in the Central column and as *minus* entries in the provincial column except when the miscellaneous adjustments result in a net transfer from Central to provincial in which case the signs are reversed.

The figures of the Central Government in this statement will be confined to the transactions under revenue and service heads and to the adjustments with the provincial Government. The provincial figures will include in addition :—

- (1) Transactions under capital and debt heads.
- (2) Home transactions as in the annual accounts furnished by the Secretary of State and the High Commissioner, the sterling figures therein being converted into Rupees at £1=Rs. 10.
- (3) Opening and closing balances.

295. The increase or decrease of provincial balance as worked out in this statement is adjusted as follows. An increase being money due to the provincial Government is transferred to the credit of its balance by the following journal entry :—

Dr.

Increase of provincial balance

To

Balances of provincial Governments. Cr.

For net increase of provincial balance during the year.

A decrease on the other hand represents the amount by which the disbursements have exceeded the receipts of the year, and as the excess has to be met from the balance at credit, it is reduced by the following journal entry :—

Dr.

Balances of provincial Governments

To

Decrease of provincial balance. Cr.

For net decrease of balance during the year.

The above adjustments will not be taken into account in the compilation of the Finance and Revenue accounts, the abstract statements of which will exhibit the Central and provincial transactions in separate columns and bring out the net result of the latter on the face of the accounts.

Transfers between the Central and provincial Governments.

296. The following is a classification of the transfers between the Central and provincial Governments :—

- I. Contributions to the Central Government by provincial Governments under Rules 17 and 18 of the Devolution Rules.
- II. Miscellaneous adjustments between Central and provincial Governments.

The transfers under I are varied only under the terms defined in the Devolution Rules. The adjustments under II should be made with the mutual concurrence of the Central Government and the provincial Government concerned.

297. It will be observed that heads for the exhibition of these transfer adjustments have been provided on both the receipt and expenditure sides under Section L of the classification shown in Audit Code Appendix 7. These heads are intended for the purely Central or provincial accounts published with the respective budgets in which the figures cannot be exhibited otherwise than as receipts or payments. In the combined accounts maintained by the provincial Accountants-General, on the other hand, such exhibition will exaggerate the total revenue and expenditure of the Indian Empire. The heads cannot accordingly find a place in these accounts. The transfers are adjusted outside the accounts as explained in Article 294 and are shown as *plus* and *minus* entries on the receipt side, the transaction representing really a *transfer* of revenue from one Government to another.

298. Each provincial Accountant-General should prepare a consolidated statement showing the details of transfers between the Central and provincial Governments relating to the past official year. The transfers should be classified in accordance with Article 296 and proper authority quoted in support of the entries. A copy of this statement together with a copy of the statement (Form 42) mentioned in Article 294 should be submitted to the Auditor General on the 10th of October, but an advance copy of the former should be forwarded after the submission of the March Final Accounts.

Chapter 16.—*Pro Formâ* Accounts.

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Introductory.

299. The general rules relating to *pro formâ* accounts of the Public Works Department are stated in paragraphs 587 to 592 of the Public Works Account Code ; see also Audit Code, Articles 142, *et seq.* This chapter deals mainly with the *pro formâ* accounts of buildings used as residences, and the rules pertaining to the *pro formâ* accounts of irrigation, navigation, embankment and drainage works are given in Chapter 17.

1. A copy of every *pro formâ* account, with any report thereon, which the Accountant General may prepare for submission to the local Government, should be submitted to the Auditor General and, if it is printed, seven copies should be sent.

Capital and Revenue Accounts of Residences.

300. Capital and Revenue Accounts of Residences should be prepared annually to review the results of the year, and to determine if the annual allowance fixed for maintenance and repairs is sufficient to protect the State against any losses arising from the operation of the rules regarding recovery of rent for residential buildings, as prescribed in Rule 45 of the Fundamental Rules or as may be framed thereunder by the local Government. Detailed instructions for the compilation of these accounts are laid down in the Office Manual of the Accountant General.

Buildings.

301. It is unnecessary to include in these accounts buildings of the classes enumerated below ; all other residential buildings, which are in charge of the Public Works Department, even though they are occupied partly as office buildings, should be included, whether they were acquired or constructed at Government expense, or only leased for use as residences :—

- (a) Viceregal Residences, residences for Heads of local Governments and Residents of the 1st class and Agents to the Governor-General.
- (b) Buildings which are situated within the precincts of jails, lunatic asylums, hospitals, police lines, tehsils, educational institutions and other similar institutions, provided that they are allotted

Transfers between the Central and provincial Governments.

296. The following is a classification of the transfers between the Central and provincial Governments :—

- I. Contributions to the Central Government by provincial Governments under Rules 17 and 18 of the Devolution Rules.
- II. Miscellaneous adjustments between Central and provincial Governments.

The transfers under I are varied only under the terms defined in the Devolution Rules. The adjustments under II should be made with the mutual concurrence of the Central Government and the provincial Government concerned.

297. It will be observed that heads for the exhibition of these transfer adjustments have been provided on both the receipt and expenditure sides under Section L of the classification shown in Audit Code Appendix 7. These heads are intended for the purely Central or provincial accounts published with the respective budgets in which the figures cannot be exhibited otherwise than as receipts or payments. In the combined accounts maintained by the provincial Accountants-General, on the other hand, such exhibition will exaggerate the total revenue and expenditure of the Indian Empire. The heads cannot accordingly find a place in these accounts. The transfers are adjusted outside the accounts as explained in Article 294 and are shown as *plus* and *minus* entries on the receipt side, the transaction representing really a *transfer* of revenue from one Government to another.

298. Each provincial Accountant-General should prepare a consolidated statement showing the details of transfers between the Central and provincial Governments relating to the past official year. The transfers should be classified in accordance with Article 296 and proper authority quoted in support of the entries. A copy of this statement together with a copy of the statement (Form 42) mentioned in Article 294 should be submitted to the Auditor General on the 10th of October, but an advance copy of the former should be forwarded after the submission of the March Final Accounts.

Chapter 16.—*Pro Formā* Accounts.

Introductory 299 Capital and Revenue Accounts of Residences 300 Buildings 301		Furniture and Installations 305 Form of Accounts 306 Review 310 Buildings of the Central Government 311
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Introductory.

299. The general rules relating to *pro formā* accounts of the Public Works Department are stated in paragraphs 587 to 592 of the Public Works Account Code; see also Audit Code, Articles 142, *et seq.* This chapter deals mainly with the *pro formā* accounts of buildings used as residences, and the rules pertaining to the *pro formā* accounts of irrigation, navigation, embankment and drainage works are given in Chapter 17.

1. A copy of every *pro formā* account, with any report thereon, which the Accountant General may prepare for submission to the local Government, should be submitted to the Auditor General and, if it is printed, seven copies should be sent.

Capital and Revenue Accounts of Residences.

300. Capital and Revenue Accounts of Residences should be prepared annually to review the results of the year, and to determine if the annual allowance fixed for maintenance and repairs is sufficient to protect the State against any losses arising from the operation of the rules regarding recovery of rent for residential buildings, as prescribed in Rule 45 of the Fundamental Rules or as may be framed thereunder by the local Government. Detailed instructions for the compilation of these accounts are laid down in the Office Manual of the Accountant General.

Buildings.

301. It is unnecessary to include in these accounts buildings of the classes enumerated below; all other residential buildings, which are in charge of the Public Works Department, even though they are occupied partly as office buildings, should be included, whether they were acquired or constructed at Government expense, or only leased for use as residences:—

- (a) Viceregal Residences, residences for Heads of local Governments and Residents of the 1st class and Agents to the Governor-General.
- (b) Buildings which are situated within the precincts of jails, lunatic asylums, hospitals, police lines, tehsils, educational institutions and other similar institutions, provided that they are allotted

rent-free under the orders of the local Government to Government servants who are required to occupy particular houses in order to ensure the proper performance of their duties (*vide* Rule 45 (c) of the Fundamental Rules).

- (c) Buildings which are not intended to be used as regular residences, e.g., dāk bungalows, rest houses, circuit houses, inspection houses and other buildings of a like nature.
- (d) Buildings occupied by Government servants of the Posts and Telegraphs Department, whether occupied rent-free or on payment of rent under the rules of that department.
- (e) Petty buildings the cost of which does not exceed Rs. 5,000 or any other limit which the local Government may fix for this purpose.

1. The list of buildings to be included in the accounts for a year should be compiled from the previous year's accounts and the divisional Schedules of Rents of Buildings and Lands, P. W. A. Form 75, for the last month of the year. It should at the same time be seen that Certificate No. 5 in P. W. A. Form 91, in respect of property available to be let, has been received from each Divisional Officer.

302. A building should be brought on to these accounts in the official year following that in which any of the events enumerated below took place ; but if the event takes place on the 1st of April, the building should be brought on to the accounts of the same year :—

- (a) its acquisition or construction was completed, or
- (b) it was leased, or
- (c) being a building already in existence, it was first brought into use as a residence.

303. A residential building which has once been included in these accounts should not be excluded therefrom, unless it is declared by competent authority as being no longer available for use as a residence, wholly or in part, in which case a suitable note quoting authority, should be made in the first account from which the building is removed, as also in the report (Article 310).

304. If under clause (c) of Rule 45 of the Fundamental Rules, all residences in a particular area have been declared to be a single unit, the collective results of all such buildings should also be brought out in the accounts.

Furniture and Installations.

305. If any residences are supplied with furniture, or with electric, water-supply, sanitary or heating installations, the transactions relating to these should be kept distinct from those regarding the rent of the buildings only. Nor need such transactions pertaining to each building be shown separately. It will suffice if, in respect of each circle of superintendence or other unit for which a separate account is prepared (*vide* Article 309), each distinct installation or supply is treated as an item by itself.

Form of Accounts.

306. These accounts should be compiled in Form 43. For their preparation, Divisional Officers are required to furnish the Accountant General with the necessary data in a suitable form which the Accountant General may prescribe according to local requirements. These data should first be scrutinised in the Audit office as far as possible.

307. Both in respect of capital outlay and maintenance charges, the actual charges only should be taken, no addition being made on account of establishment and tools and plant charges or on account of the cost of accounts and

1. If a building is occupied partly as a residence and partly as an office, the best possible approximation should be made, in consultation with the Superintending Engineer, of the capital value of the portion used as a residence, the revenue charges being proportionately distributed for the purposes of the accounts.

2. In the case of non-residential buildings which are converted into residences, if the original cost cannot be ascertained from the records, the capital value should be based on the estimated value of the buildings, subject to any rules which the local Government may have prescribed. See also paragraph 325, Rule I (d), of the Public Works Department Code.

308. Columns 15 to 17 of Form 43 headed "Interest charges of the year or rent payable by Government" should be filled in as indicated below :—

(i) *Leased buildings.*—Rent payable by Government to the lessor, should be noted in columns 15 and 17, no entries being made in column 16. When maintenance and repairs to the building are also chargeable to Government the charges should be noted in columns 11 to 14 and not in columns 15 to 17.

(ii) *Government buildings.*—As the interest for the year is calculated at the rates at which Government borrowed money in the open market at the time of acquisition or construction of the building, it is necessary to calculate interest separately on (1) capital outlay to end of previous year, and (2) capital outlay during the year. The interest on (1) is arrived at by adding double the amount noted in column 16 of the last account to the amount noted in column 15 of the same account. The interest on (2) is calculated on half the amount of the capital outlay of the year at the rate of interest for the year.

1. In respect of the capital outlay of a year during which the provincial Government concerned did not borrow money in the open market, the interest should be calculated at the rate last paid by the local Government or at the rate last paid by the Government of India, whichever is higher.

309. These accounts should be prepared in such detail as the local Government may desire, but usually it will be found sufficient to prepare a separate account for each circle of superintendence, so that copies of the accounts may be sent to Superintending Engineers to enable them to review the results of the areas in their respective charges, and to take such action as they may deem necessary to effect economies in working.

1. Under this rule, it is permissible to amend the form of these accounts, provided that no change is made in the essential features of Form 43, without previous reference to the Auditor General.

Review.

310. The accounts, when completed, should be reviewed in the light of rule 45 of the Fundamental Rules and local rules framed thereunder, and the results of this collective review should be embodied in a concise report, with which the accounts should be submitted to the local Government by the 1st December following the year to which they relate. If, in any particular cases, or generally, the standard rents need revision, or the maintenance charges are excessive or the realisations inadequate, these points should be mentioned in the report, as also any suggestions regarding the working or suitability of the rules which the Accountant General may wish to make. In all comments and observations, leased buildings should, as far as possible, be distinguished from those owned by Government, and each of the installations and supplies referred to in Article 305 should be dealt with separately.

1. See also Article 303.]

2. The Accountant General should require the accountants to satisfy themselves that the

Article 301.

Buildings of the Central Government.

311. In Governors' provinces, Capital and Revenue Accounts of residential buildings of the Central Government should be prepared separately from the accounts of provincial buildings and submitted to the local Government as well as to the Central Government. Both in Governors' provinces and elsewhere, the accounts of Military buildings should be kept separate from those of civil buildings of the Central Government.

Chapter 17.—Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works.

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Part I.—General Abstract of Financial Results	316	Part VI.—Statement comparing Capital Cost with Sanctioned Estimates	326
Part II.—Detailed Account of Capital Expenditure	317	Review	328
Part III.—Revenue Account	321		

Introductory.

312. The Accountant General is required to prepare annually *pro forma* accounts of irrigation, navigation, embankment and drainage projects for which either capital and revenue accounts or only revenue accounts are kept. These accounts are known as the Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works.

313. For projects for which capital accounts are kept, the Accounts should be prepared in Form 41, all the six parts, into which the form is divided, being used. These are :—

Part I.—General Abstract of Financial Results.

„ II.—Detailed Account of Capital Expenditure.

„ III.—Revenue Account.

„ IV.—Interest Account.

„ V.—Account of Indirect Charges.

„ VI.—Statement comparing Capital cost with Sanctioned Estimates.

Accounts of individual projects are kept in Parts II to VI for each, and the general results of all projects are abstracted in Part I.

314. For projects for which only revenue accounts are kept, the same form is used, but the Accounts consist of Parts I, III and V only. Accounts of individual projects are kept in Parts III and V for each, and Part I is the abstract which brings out the general results of all.

Classification.

315. The projects for which Administrative Accounts are prepared are classified thus—

Works for which both capital and revenue accounts are kept—

A.—Irrigation Works.

(1) Productive

(2) Unproductive.

B.—Navigation, Embankment and Drainage Works.

(1) Productive.

(2) Unproductive.

Works for which only revenue accounts are kept—

A.—Irrigation Works.

B.—Navigation, Embankment and Drainage Works.

In Part I projects should be grouped according to this classification, and on all separate Accounts of them, the detailed classification of each project should be indicated prominently.

1. The classification of works into (1) productive and (2) unproductive, is governed by the rules in Statement A of Appendix 4 of the Public Works Account Code.

Part I.—General Abstract of Financial Results.

316. Part I is a summary of the financial results of all projects in the province, excluding those for which neither capital nor revenue accounts are kept. It is prepared separately for works for which both capital and revenue accounts are kept, and works for which only revenue accounts are kept, the figures in each case being taken, in respect of individual projects, from the detailed accounts thereof as brought out in other parts.

Part II.—Detailed Account of Capital Expenditure.

317. Part II, the Detailed Account of Capital Expenditure, is a statement of the total direct charges incurred to end of the year against all the sanctioned estimates of capital expenditure. The outlay should be detailed by such branches and sections of the project as are shown separately in the sanctioned project estimate, and under each it should be given in full detail of minor heads (including "Receipts and Recoveries on Capital Account") and detailed heads.

1. Charges under the minor heads "Establishment" and "Tools and Plant" will be detailed only if, under the rules (*vide* Appendix 7 of the Public Works Account Code), the entire expenditure of a circle of superintendence, or of other prescribed unit of distribution of charges relates to a single project; in other cases, the charges debitable *pro forma* to a project, under each of these two heads, should be shown in lump

3. Nor will there be any entries ordinarily under the minor head "Suspense," as this head in the accounts represents services of a general character; but if the division in which the works are executed is maintained exclusively in connection with a single project, the entire transactions under this head must be included in Part II.

318. Expenditure on surveys which was incurred before construction commenced should be brought on to the account by an entry in the column headed "To end of previous year," qualified by a suitable explanation in the column for "Remarks."

319. For purposes of comparison with estimates, the form of Part II provides two columns, viz., "Cost of construction as now estimated" and "Expenditure against closed estimates." The former is written up thus—

- | | |
|---|--|
| (i) If the construction estimate is still open. | } The estimated cost. |
| (ii) If the construction estimate is closed | |
| | } The aggregate of (1) actual expenditure on the closed construction estimate, (2) actual expenditure on all closed estimates of open capital and (3) estimated cost of all open capital estimates the accounts of which are still open. |
| | |

The latter column should be filled in only if the construction estimate has been closed, and it should show the total of (1) actual expenditure on the closed construction estimate, and (2) actual expenditure on all closed estimates of open capital. The difference between the figures in these columns will thus indicate the amount of the open capital sanctions still operative under each detailed head, i.e., the further authorised liabilities of the project.

320. If the construction estimate has been closed, the date on which it was closed should be placed on record in this Part.

Part III.—Revenue Account.

321. Part III, the Revenue Account, is a simple debit and credit account, showing on one side the gross receipts and on the other the gross charges and the working expenses of the project. The receipts should be detailed by minor heads, and the working expenses by both minor and service heads. The difference between the gross receipts and the gross charges will represent the net revenue or the deficit, as the case may be.

1. The Revenue Account should be opened for a project as soon as any section of it is completed and begins to yield revenue.

2. See also Rules 1 to 3 to Article 317.

Part IV.—Interest Account.

322. Part IV, the Interest Account, is a simple debit and credit account, showing on one side the charges for the interest and on the other the net revenue, or deficit, as worked out in Part III.

323. Interest is charged in the Administrative Accounts of Irrigation, etc., projects at the rates given below :—

(a) As regards capital outlay met out of specific loans raised by the provincial Government, at the rate of interest actually paid on such loans.

(b) As regards capital outlay provided otherwise than from borrowings at specific rates of interest :—

(i) In the case of outlay to end of 1916-17, at the rate of 3-3252 per cent.

(ii) In the case of outlay incurred after the year 1916-17, at the average rate laid down in Rule 24 (i) (b) of the Devolution Rules, which will be communicated annually by the Auditor General.

1. Interest is calculated on the total direct capital outlay to end of the previous year plus half the outlay of the year itself.

2. The details of the calculations should be given in the account.

3. Survey charges of previous years incorporated in the capital account (Part II) of the year (vide Article 318) should be treated as outlay to end of the previous year.

Part V.—Account of Indirect Charges.

324. Part V, the Account of Indirect Charges, is a simple statement of the indirect charges shown below :—

Capitalized abatement of land revenue.—At twenty-five times the annual amount of land revenue remitted.

Leave and Pensionary charges.—At 14 per cent. on gross charges for establishment.

Audit and Accounts Establishment —At 1 per cent. on works Expenditure.

1. The details of the calculations of the year's charge should be given in column 1.

325. This Account is prepared in two separate sections—capital and revenue—in the case of works for which both capital and revenue accounts are kept.

Part VI.—Statement comparing Capital cost with Sanctioned Estimates.

326. Part VI compares both the direct and indirect charges incurred up-to-date on a project with the amount of sanctioned estimates.

327. If the construction estimate is still open, no entries will be made in columns 2 to 4, headed "Charges against closed sanctions," and in column 8 "Total charges to date against old and current sanctions." But, if it has been closed, all the columns of the form will be written up, columns 2 to 4 being used in respect of all working estimates (construction or open capital) which have been closed, and columns 5 to 7, headed "Current Sanctions," in respect of all working estimates of open capital, the accounts of which are still open.

Review.

328. The Administrative Accounts should be submitted to the local Government in print as soon as possible after closing the final accounts for March. The Accountant General should review the accounts and send with them a report of the points which his review may suggest. In the report should be mentioned specially all points requiring attention, e.g., (1) cases in which, in the Accountant General's opinion, a change of classification of

projects from "Productive" to "Unproductive" or *vice versa* may be indicated, (2) cases in which an abnormal increase under "Working Expenses" is not accompanied by an adequate increase in the "Receipts" or (3) cases in which "Receipts" show a marked decline and there is no known reason for this.

1. Any practical suggestions calculated to reduce the working expenses, to develop the gross receipts, or to effect economies otherwise, which may occur to the Accountant General, should ordinarily be made separately, *vide* Audit Code, Articles 141 and 857, the report being confined to mentioning the salient features of the accounts in a manner intelligible to an outsider.

329. Seven copies of the accounts (with Report) should also be submitted simultaneously to the Auditor General. If printed copies cannot be despatched so as to reach the Auditor General by the dates prescribed in Appendix I, the first copy should be sent on the due date in manuscript.

PART IV.

Miscellaneous.

Chapter 18.—Exchange, Council and Reverse Bills, etc.

Origin of Exchange.	330	<i>Special Bills</i>	349
Council and Reverse Bills, etc.—		<i>Rates of Exchange—</i>	
<i>General</i>	331	<i>General</i>	341
<i>Council Bills</i>	332	<i>Official Rate</i>	342
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<i>Gold Standard Reserve</i>	339	<i>Average Rate</i>	346
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Origin of Exchange.

330. A certain proportion of the expenditure from Indian revenues is defrayed from the Home Treasury of the Government of India which has accordingly to be fed by direct or indirect remittances from this country. These remittances normally take the form of Council Bills which are sold periodically by the Secretary of State at varying rates of exchange differing from the flat rate of £1=R10 at which the Indian and the English transactions are combined in terms of rupees in the accounts. The difference between this latter rate and the actual rate realised on all remittances between India and England constitutes a gain or loss by exchange which is brought to account in the first instance under the deposit head "Exchange on Remittance Accounts" in the books of the Accountant-General, Central Revenues, as stated in Article 110. ²

NOTE.—Direct remittances by means of Council Bills may become unnecessary in certain cases. For example, during the years of the great war and subsequent years, large sums were received in England from His Majesty's Imperial Government in repayment of war expenditure incurred on their behalf in India. These indirect remittances were also effected at rates varying from the rate of £1=R10, thus giving rise to gain or loss by exchange.

Council and Reverse Bills, etc.

General.

331. Transactions on accounts of (1) Bills and Telegraphic Transfers drawn on India by the Secretary of State (generally known "as Council Bills") and (2) Sterling Bills and Telegraphic Transfers drawn on London (generally known

as "Reverse Bills") are not included in the Outward or Inward Accounts Current between England and India. In Indian accounts such transactions are exhibited under independent heads as described in Article 332 *et seq.*, but in the Home accounts they are shown under the head of remittance account between England and India though the items are omitted from Accounts Current.

Council Bills.

332. The amount of the Council Bills advised to Calcutta, Madras, or Bombay must be adjusted as follows in the month in which they are drawn by the Secretary of State. The sterling amount of each bill is to be debited at $\text{Rs } 10$ per £ to the head "Bills drawn on India by the Secretary of State" by credit to a head called "London Bills Payable, Principal," in Section U of the accounts, and the difference between the rupee value thus stated and the rupees actually drawn for should be debited or credited, as the case may be, to "Exchange on Remittance Accounts," for bills drawn on Calcutta, and "Account Current with Central Revenues" for bills drawn on Madras and Bombay, minor head "Exchange on Secretary of State's Bills and Transfers" by credit or debit to a head called "London Bills Payable, Exchange." In the event of any of the Council Bills being credited in England to the Gold Standard or Paper Currency Reserve, the Controller of the Currency, on receipt of intimation from the Secretary of State, will issue the necessary orders for the payment of the equivalent from the Reserve to the treasury. The money so received from the Reserve will be credited to a special sub-head "Council Bills appropriated" under the deposit head 'Gold Standard Reserve' or 'Paper Currency Reserve' as the case may be. At the close of the month, the Controller of the Currency will advise the Accountant General concerned as to the transfers to be made by debit to these deposit heads and *per contra* credit (by deduction from debit), to the head "Bills drawn on India by the Secretary of State."

The net result of these adjustments will be that the debit in the Indian accounts under the head "Bills drawn on India by the Secretary of State" in each month, will be the equivalent in rupees at $\text{£}1=\text{Rs } 10$ of the credit in the Home accounts to the remittance head between England and India.

NOTE.—Deferred Telegraphic Transfers are treated as Bills for the purpose of the adjustment referred to in this Article

333. The head "London Bills Payable, Principal," is to be debited] at the time of payment with the rupee equivalent of the sterling amount of the bills at two shillings the rupee, the difference between this amount and the amount actually paid being taken to the head "London Bills Payable, Exchange."

334. Both the heads "London Bills Payable, Principal" and "London Bills Payable, Exchange" will be closed to balance. The balance of the former head at the close of the year will represent the sterling amount of the bills outstanding on the 31st March, and the balance of the latter head will be the exchange on the bills outstanding.

335. A monthly statement of Council Bills will be rendered to the Controller of the Currency by the Accountants General, Central Revenues, Madras and Bombay.

336. Telegraphic Transfers are necessarily advised and paid before the post advices showing the sterling equivalents are received. The payments should be debited to "London Bills Payable, Telegraphic," and after all the post advices for the month are received, a transfer entry should be drawn up debiting "Bills drawn on India by the Secretary of State" for the sterling amount at Rs 10 per £ by credit to "London Bills Payable, Telegraphic" for the actual amount drawn for, the difference being taken to "Exchange on Remittance Accounts" or "Account Current with Central Revenues."

337. The Controller of the Currency prepares a weekly statement to show the progress of the drawings and payments of Council Bills, and to enable him to do this the Accountants General, Bombay and Madras, send him every Monday a telegram showing—

- (a) Amount of Council Bills advised.
- (b) Amount of Bills paid during the week.
- (c) Amount of Bills advised but not paid.
- (d) Amount of Deferred Telegraphic Transfers paid during the week.
- (e) Amount of Telegraphic Transfers advised but not paid.
- (f) Total of a, b, c, d, and e, check figure.

Reverse Bills.

338. The following procedure should be followed with regard to the adjustment of Reverse Bills and Telegraphic Transfers. The rupee equivalent at two shillings the rupee of the Reverse Bills, etc., should be credited to the head "Sterling Bills and Telegraphic Transfers on London" in Section U of the accounts, the difference between the rupee equivalent and the amount actually received being credited or debited, as the case may be, to "Exchange on Remittance Accounts" in the India books for bills issued from Calcutta, and "Account Current with Central Revenues" for bills issued from Madras and Bombay. In the event of any of the sterling transfers being paid in England from the Gold Standard Reserve, the Controller of the Currency will, on receipt of intimation from the Secretary of State, issue the necessary orders to pay the equivalent from treasury into the Gold Standard Reserve. These payments should be taken to the deposit head "Gold Standard Reserve." At the close of the month, the Controller of the Currency will also advise the Accountant General concerned as to the transfers to be made by debit to "Sterling Bills and Telegraphic Transfers on London" and credit to "Gold Standard Reserve."

Exchange on Bills relating to the Gold Standard Reserve.

339. In any year in which Council or Reverse Bills are sold partly against treasury balances and partly against the gold standard reserve, the proportional profit or loss on exchange relating to the latter, as advised by the

									s.	d.
For	1870-80	.	.	.	.	.	.	.	1	7½
"	1880-81	.	.	.	.	.	.	.	1	8½
"	1881-82	.	.	.	.	.	.	.	1	8
"	1882-83	.	.	.	.	.	.	.	1	8
"	1883-84	.	.	.	.	.	.	.	1	7½
"	1884-85	.	.	.	.	.	.	.	1	7½
"	1885-86	.	.	.	.	.	.	.	1	7½
"	1886-87	.	.	.	.	.	.	.	1	6½
"	1887-88	.	.	.	.	.	.	.	1	6
"	1888-89	.	.	.	.	.	.	.	1	5
"	1889-90	.	.	.	.	.	.	.	1	4½
"	1890-91	.	.	.	.	.	.	.	1	5
"	1891-92	.	.	.	.	.	.	.	1	6½
"	1892-93	.	.	.	.	.	.	.	1	4½
"	1893-94	.	.	.	.	.	.	.	1	2½
"	1894-95, 1st quarter	.	.	.	.	.	.	.	1	3½
"	" 2nd "	.	.	.	.	.	.	.	1	1½
"	" 3rd "	.	.	.	.	.	.	.	1	1½
"	" 4th "	.	.	.	.	.	.	.	1	1½
"	1895-96	.	.	.	.	.	.	.	1	1½
"	1896-97	.	.	.	.	.	.	.	1	1½
"	1897-98	.	.	.	.	.	.	.	1	2½
"	1898-99	.	.	.	.	.	.	.	1	3½

NOTE 2.—For method of calculation of exchange, see Appendix 5.

Official rate of exchange.

342. The official rate of exchange for the adjustment of transactions between the Indian and Imperial Governments is telegraphed periodically (ordinarily once a month) to the Government of India by the Secretary of State after consultation with the treasury in England. Transactions relating to Colonial Governments whose standard of currency is gold are also adjusted at the same rate. The month of the schedule in which a transaction is brought to account determines the particular rate of exchange to be applied.

Current rate of exchange.

343. The current rate of exchange means such rate of exchange as the Secretary of State in Council may by general order prescribe in this behalf. The rate at present prescribed is the rate for telegraphic transfers from Calcutta on London on the 20th of the month preceding that in which a payment falls due or a recovery is made. This rate is applied in the case of:—

- (a) Recovery of contributions to the Indian Civil Service Family Pension Fund, the Indian Military Service Family Pension Fund and the Indian Military Widows' and Orphans' Fund;
- (b) Payment of leave salaries fixed in sterling but paid in rupees;

(c) Payment of pensions and annuities including those paid from family pension funds, which are fixed in sterling but paid in rupees; subject to certain exceptions mentioned in Articles 933-A and 933 of the Civil Service Regulations in regard to (c).

Market rate of exchange.

344. Inward sterling money orders and British Postal Orders are paid at a rate as near as possible to the current market rate prevailing on the dates of advice of money orders from foreign countries concerned and dates of issue of British Postal Orders, subject to the condition that if the rupee equivalent of a pound sterling at that rate contains a fraction of 4 annas, the inward rate will exclude that fraction. Rates of issue of postal remittances are fixed by the Director General of Posts and Telegraphs in consultation with the Controller of the Currency, in such a way that the post office rate remains between a farthing and half penny below the market rate.

345. All transactions other than those mentioned in Articles 342-344 are, with a few exceptions which are governed by special orders, adjusted at the market rate of exchange based on the Calcutta Banks' selling rates for demand drafts on London, as advised weekly by the Controller of the Currency. In the case of transactions originating in England the rate to be applied by the Accountants General will be that advised for the first week of the month in which the transaction occurs in England and in the case of transactions originating in India the latest rate available to the Accountants General.

NOTE.—The following may be cited as examples of the transactions which are adjusted at the market rate of exchange:—(1) Soldiers' remittances, (2) miscellaneous private remittances, (3) personal remittances included in shipping masters' accounts, and (4) recoveries in India of sterling advances and overpayments.

Average rate of exchange.

346. This is a monthly rate advised by the Controller of the Currency, the calculation being based on the average of the daily Calcutta Telegraphic Transfer rates on London during the month. This rate is applied for the purpose of the adjustments described in the following Article.

Final Adjustment of Exchange.

347. The total amount brought to account in the books of the Accountant General, Central Revenues, under the head "Exchange on Remittance Accounts" (See Article 110) is finally adjusted as follows:—

- (1) Exchange in respect of *net revenue expenditure* in England, both Central and provincial, other than that relating to the commercial departments of Railways, Irrigation, and Posts and Telegraphs, is adjusted under the head— $\frac{\text{XXIX}}{40}$ Exchange, Central or provincial, as the case may be.

Chapter 19.—Charitable Endowments and other Trusts.

Charitable Endowments	348	Miscellaneous Trust Accounts	352
Rules for Charitable Endowment Funds..Annex.			

NOTE.—Accountants General perform the duties referred to in this chapter not as subordinates of the Auditor General but as agents of the Government concerned. The rules contained therein are not issued under the Auditor General's Rules.

Charitable Endowments.

348. The duties of the Accountant General as Treasurer of Charitable Endowments are prescribed in Act VI of 1890 and in the rules under it, which are printed as an Annexure to this chapter.

349. The securities mentioned in the order, and request them to forward the title deeds, or securities in a registered cover and to insure the cover for Rs. 100. These do not require to be endorsed, as the vesting order operates to transfer the securities to the Treasurer.

350. The securities held by the Controller of the Currency on behalf of a Treasurer of Charitable Endowments will be held on a separate account from those held on behalf of the Accountant General.

1. If a vesting order is received in respect of securities already held by the Accountant General, he will transfer them from his general register to the register of Charitable Endowments; and if they are in the custody of the Controller of the Currency, he will submit a demand for their transfer.

351. The floating funds of an Endowment may, with the sanction of the local Government, be kept as a Local Fund; or the same authority may prescribe other depositories, e.g., the Postal Savings Bank or Private Banks.

Miscellaneous Trust Accounts.

352. Accountants General are sometimes required to act as Trustees and Depositories of public or quasi-public funds which are neither receipts and disbursements of Government, nor charitable endowments or Government securities in Trust.

353. If possible an Accountant General should endeavour to have such Trusts vested in him as Treasurer of Charitable Endowments, but, if that course for any reason be not possible, he should keep an account-book for these miscellaneous Trust accounts in his personal custody, posting the transactions—which are necessarily very few—in the ordinary form of day-book and ledger.

354. The accounts to be debited are—

(1) Personal Custody—Cash.

(2) Personal Custody—Securities—

For cash or securities held in *personal* custody of the Accountants General.

(3) Imperial Bank of India.

For any deposited with the Bank.

(4) Trust Deposits—

For any which are passed on for treatment under the ordinary rules of Chapter VIII of the Government Securities Manual.

(5) Safe Custody Register—

For any which are passed on for treatment under paragraphs 83 and 84 of the Government Securities Manual.

355. The accounts to be credited are—

A ledger head for each Trust, or for each class of Trust, as convenient.

356. There should be a descriptive index of all these ledger heads, that is, a short statement of the nature and obligation of the Trust, with reference to any documents bearing upon it, so that any Accountant General on receiving charge may know by reference to it exactly what his obligations are in these matters.

1. The receipt and disposal of interest should not be recorded in these accounts, which are meant for the principal of the Trusts only.

357. These accounts should be balanced and closed every 31st day of March, and a note of the balances should be appended to the Annual Review of Balances. They should also be balanced and closed when an Accountant General makes over charge of his office to a successor or substitute, a balance sheet being appended to the charge report and signed both by the officer receiving and the officer giving over charge.

ANNEXURE.

(See Article 348.)

Rules for Charitable Endowment Funds, H. D. No. 1569, dated 24th October 1890.

NOTE.—In these Rules “the Government” means the local Government, or when the Governor-General in Council exercises under Section 7 of the Act the powers conferred by Sections 4 and 5 on the local Government, the Government of India.

1. It being the wish of the Governor-General in Council that the Government should not interfere under the Charitable Endowments Act, 1890 (hereinafter referred to as the Act), in cases of doubt or dispute, and that the jurisdiction of the courts in such cases should in practice be left unaffected by the Act, the cases with which the Government will have to deal may be divided into two classes, namely, (1) cases of trusts

Cases in which there should ordinarily be previous publication of vesting orders and schemes.

whether already established or proposed to be established, out of which it may be confidently predicted that contention cannot arise, and (2) cases out of which contention may possibly arise, however remote or unlikely the contingency. To the first class will belong such cases

2. (1) When the Government, having regard to the last foregoing rule, is of opinion that a proposed vesting order or proposed scheme or modification of scheme should not be made or settled without previous publication it shall publish a draft of the proposed order, scheme or modification, or a proper abstract thereof, signed by one of its Secretaries, for the information of persons likely to be affected thereby.

(2) The publication should be made in the Official Gazette and in such other manner as the Government may prescribe

(3) There shall be published, with the draft or abstract, a notice specifying a date at or after which the proposed order, scheme or modification will be taken into further consideration.

(4) The Government shall consider any objection or suggestion which it may receive from any person before such date with respect to the proposed order, scheme, or modification.

3. The cost of the previous publication under the last foregoing rule of any proposed order, scheme, or modification of a scheme, and any other costs incurred or to be incurred in the making or settlement of the order or of the scheme or modification, shall be paid by the applicants for the order, scheme, or modification, and, if the Government so direct, may be paid by them out of any money in their possession pertaining to the trust to which their application relates.

4. In the case of property vested in a Treasurer of Charitable Endowments other than securities for money, the person acting in the administration of the trust, and having under Section 8, sub-section (3), of the Act, the possession, management, and control of the property

5. The following are prescribed as the fees to be paid to the Government in respect of any property vested under the Act in a Treasurer of Charitable Endowments:—

(1) In the case of property other than securities for money, the actual charges incurred by the Treasurer in the discharge of his functions in respect of the property

The Treasurer may deduct any fees payable to the Government on account of any endowment from any money in his hands on account of such endowment. If he holds no such money the amount should be claimed from the administrators.

6. All accounts of the Treasurer shall be audited and will be numbered in the registers in which they will be entered.

Accounts of Securities for Money

7. On the receipt of any securities for money, or on their purchase by himself, the Treasurer will record their receipt in a register in Form No. 1 (Account Cxle Form 43). He will also record in Form No. 2 (Account Cxle Form 46), in which he will record all investments, and all disbursements, on transactions (such as the payment

of the money to the administrators), not the transactions of the administrators of the endowment fund.

8. The Treasurer will keep a record in the appropriate columns of Form No. 1 (Account Code Form 45) of all securities returned by him. The return will also be entered in Form No. 2 (Account Code Form 46), where the amount returned will be deducted from the capital of the endowment concerned.*

9. If the securities, elsewhere than in Madras and Bombay, consist of Government promissory notes, they will be forwarded to the Controller of the Currency for custody under the general rules laid down in the Civil Account Code; but the securities held under the Act must be forwarded separately, and the Treasurer will keep a separate register under those rules for these securities, and will also keep a separate file of the acknowledgments. The Treasurer will retain in his own custody all securities for money other than Government promissory notes.

10. The Treasurer, on receipt of any interest on securities, will pass it through his General Trust Interest Account under a special sub-head "Interest on Charitable Endowments under Act VI of 1890." The interest will then be distributed to the various ledger accounts (Form 2, Account Code Form 46), in which the gross amounts must be shown, any deductions for fees, etc., being shown as a charge and the payment of the balance to the administrators being also shown as a disbursement. The entries in the ledger of interest received must be taken out and agreed annually with the total amount of interest drawn.

11. The register in Form No. 1 (Account Code Form 45) will show all securities vested in the Treasurer as such, whether actually held by him or by the Controller of the Currency as his agent. In order to prove the balance actually held by the Treasurer in his own hands, a balance sheet in Form No. 3 (Account Code Form 47) will be made out annually and agreed with the actual securities in the Treasurer's possession; such agreement will be certified on the balance sheet.

12. The accounts of the interest and the annual agreement of balance will be made at the times which the local Government may direct under Section 9 of the Act for the publication of the list of properties held, and of the abstract of accounts.

Property other than Securities

13. The Treasurer will enter in a register in Form No. 4 (Account Code Form 48) any property other than securities which becomes vested in him, and will record in the same register against the original entry a note of any property of which he is divested.

Publication of Lists and Abstract of Accounts.

14. The list of properties vested in the Treasurer to be published annually shall be in Form No. 5 (Account Code Form 49). Part I will relate to properties other than securities; Part II to securities. The Act to be administered by the administrators.

Audit of Accounts.

15. The Treasurer's accounts will be audited annually by the Local Audit Department or the Outside Audit Section of the Accountant General's Office.

* The rules on the subject which originally appeared in the Civil Account Code, 7th edition, have been embodied in Government Securities Manual issued by the Controller of the Currency.

Chapter 20.—Check of Budget Estimates and Watch over Expenditure.

Estimates	358	Reports of progress of actuals to the	
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Estimates.

358. The responsibility for the preparation of the statement of estimated revenue and expenditure which is laid before the Legislature in each year, as well as any supplementary estimates or demands for excess grants, lies with the Finance Department. The material on which such estimates are based is obtained by that Department from the department concerned. The Accountant General should, however, render such assistance as may be required by Government and other authorities in the preparation of their annual budget estimates; see Rule 24 of Auditor General's Rules. The detailed instructions regarding the assistance rendered in this respect by each Audit office to different authorities will be found in the office manuals.

359. In reviewing or checking the estimates the Accountant General is expected to keep himself informed of all circumstances which will affect the receipts and expenditure of the Government concerned. He should take into account all cases in which transfer adjustments with other Governments and Departments, as well as transfer entries between different heads of account, have to be made in the accounts of the year to which the estimates relate, *e.g.*, (1) Commuted value of pensions, leave-salaries, jail charges payable to or recoverable from other Governments, (2) Contributions recoverable for Railway Police, (3) Apportionment of the cost of Forest surveys and Forest maps, (4) Apportionment between Land Revenue and Scientific Departments of expenditure on survey, (5) Miscellaneous adjustments between the Central and provincial Governments, (6) Overpayments and advances of previous year recoverable during the year or those of the year recoverable in the following year, (7) Transactions adjustable finally in Home accounts, (8) Freight paid in India on stores received from England, (9) Loss or gain by Exchange on sterling transactions, (10) Profit or Loss of Government Commercial undertakings, (11) Adjustments between Debt and service heads on account of motor car advances to Government servants proceeding to or returning from England (*vide* Rules 3 and 4 of Article 781 of the Audit Code), (12) Distribution of the cost of Public Works establishments and tools and plant (*vide* Appendix 7 of the Public Works Account Code), (13) Transfer Entries referred to in Article 214, (14) Provincial share of Taxes on Income, etc., etc.

of the money to the administrators), not the transactions of the administrators of the endowment fund.

8. The Treasurer will keep a record in the appropriate columns of Form No. 1 (Account Code Form 45) of all securities returned by him. The return will also be entered in Form No. 2 (Account Code Form 46), where the amount returned will be deducted from the capital of the endowment concerned.

9. If the securities, elsewhere than in Madras and Bombay, consist of Government promissory notes, they will be forwarded to the Controller of the Currency for custody under the general rules laid down in the * Civil Account Code; but the securities held under the Act must be forwarded separately, and the Treasurer will keep a separate register under those rules for these securities, and will also keep a separate file of the acknowledgments. The Treasurer will retain in his own custody all securities for money other than Government promissory notes.

10. The Treasurer, on receipt of any interest on securities, will pass it through his General Trust Interest Account under a special sub-head "Interest on Charitable Endowments under Act VI of 1890." The interest will then be distributed to the various ledger accounts (Form 2, Account Code Form 46), in which the gross amounts must be shown, any deductions for fees, etc., being shown as a charge and the payment of the balance to the administrators being also shown as a disbursement. The entries in the ledger of interest received must be taken out and agreed annually with the total amount of interest drawn.

11. The register in Form No. 1 (Account Code Form 45) will show all securities vested in the Treasurer as such, whether actually held by him or by the Controller of the Currency as his agent. In order to prove the balance actually held by the Treasurer in his own hands, a balance sheet in Form No. 3 (Account Code Form 47) will be made out annually and agreed with the actual securities in the Treasurer's possession; such agreement will be certified on the balance sheet.

12. The accounts of the interest and the annual agreement of balance will be made at the times which the local Government may direct under Section 9 of the Act for the publication of the list of properties held, and of the abstract of accounts.

Property other than Securities.

13. The Treasurer will enter in a register in Form No. 4 (Account Code Form 48) any property other than securities which becomes vested in him, and will record in the same register against the original entry a note of any property of which he is divested.

Publication of Lists and Abstract of Accounts.

14. The list of properties vested in the Treasurer to be published annually shall be in Form No. 5 (Account Code Form 49). Part I will relate to properties other than securities; Part II will relate to securities, and will also contain the abstract of accounts required by the Act to be published. The Treasurer will demand and receive acknowledgments from the administrators of the correctness of the balances when published.

Audit of Accounts.

15. The Treasurer's accounts will be audited annually by the Local Audit Department or the Outside Audit Section of the Accountant General's Office

* The rules on the subject which originally appeared in the Civil Account Code, 7th edition, have been embodied in Government Securities Manual issued by the Controller of the Currency.

360. The following rules are observed in the Budget estimates of the Survey of India :—

- (a) The estimates will be drawn up, in the first place, for all the charges without reference to distribution between Central and Provincial. A separate statement will be appended showing what part of the charges is estimated as Revenue Survey under each Government. This latter part will be passed on in appropriate form to the estimates of the provincial Government concerned.
- (b) An appendix will be added to the estimates giving the official names and numbers of the different survey parties under which their several accounts will be rendered during the year, the nature of the work done by each party, and the proportion in which the charges are to be apportioned between Scientific Department and Revenue Survey (Survey for revenue or administrative purposes).
- (c) The Surveyor-General will inform the Accountant General, Central Revenues, as to (a) what particular specified charges are to be taken against each provincial Government for special work done at its instance outside the ordinary work of a survey party and (b) what proportion of the charges of a specific survey party for the whole year is to be reckoned as chargeable against each local Government.
- (d) The total cost of mathematical instruments supplied to survey parties is, in the first instance, adjusted as Central. At the close of the year a charge of four per cent. on the total cost of each of the provincial and private surveys is added to the cost of the respective surveys by deduction from the amount debited to Central on account of instruments. Credit for instruments returned into store is given by reducing the debit under Central. In the case of instruments issued to the Bengal Drawing Office, this 4 per cent. charge is not made.
- (e) The cost of establishment maintained by the Surveyor-General for the publication of Cadastral Survey maps is included in the estimates, but a deduction is made from the total estimate of the value of maps supplied to the several Governments and administrations. The rates at which maps are supplied are decided upon from year to year.

1. See also Article 181 (3) and (4) of the Audit Code.

361. The revised and budget estimates of the Mysore Assigned Tract and Mysore Residency are prepared by the Accountant General, Central Revenues, and incorporated in his estimates. The budget estimates are forwarded by the Resident to the Accountant General, Central Revenues, through the Accountant General, Madras, who checks the provision for fixed charges with

the Controller of the Currency on or before the 15th of each month, the figures of the past month in thousands of rupees under the following heads:—

RECEIPTS.

1. Customs.
2. Taxes on income.
3. Salt.
4. Opium.
5. Other principal heads of Revenue.
6. Other Revenue.
7. Total Central Revenue.
8. Deposits of District Funds.
9. Loans by Central Government
10. Loans between Central and provincial Governments
11. Other Central Debt and Remittance.

Provincial Transactions —

12. Land Revenue
13. Excise
14. Stamps
15. Forest
16. Other Revenue
17. Loans by provincial Government
18. Loans between Central and provincial Governments.
19. Other transactions.
20. Total provincial transactions.
21. Posts and Telegraphs.
22. Marine.
23. Military Works
24. Military.
25. Railways
26. Imperial Bank Deposits.
27. Opening balance.
28. Total.

OUTGOINGS.

29. Opium expenditure.
30. Debt Services.
31. Delhi Capital Expenditure.
32. Other Central Expenditure.
33. Deposits of District Funds.
34. Loans by Central Government.
35. Loans between Central and provincial Governments.
36. Other Central Debt and Remittance.

Provincial Transactions —

37. Ordinary Expenditure.
38. Loans by provincial Governments
39. Loans between Central and provincial Governments.
40. Other transactions.
41. Total provincial transactions
42. Posts and Telegraphs
43. Marine.
44. Military Works.
45. Military.
46. Railways.
47. Imperial Bank Deposits.
48. Closing balance.
49. Total.

The above details should be compiled after a preliminary classification of the treasury receipts and payments, if need be, and it should not be necessary to requisition the services of the Treasury Officers for the purpose. Strict adherence should be paid to the order in the foregoing list, the figures under any head which happens to be blank being reported as "nil".

A statement containing the full figures and progressive totals under each heading should be despatched by the next mail.

Special arrangements should be made to telegraph the figures in the month of February on the 10th instead of the 15th as this is necessary in order that the ways and means estimates may be settled in time for the presentation of the budget to the Legislative Assembly on the 1st March.

1. It is not necessary to show the figures under the heads relating to provincial transactions as "nil" in the telegram from the Accountant General, Punjab for N. W. F. Province and the report from the Accountant General, Central Revenues; the heads themselves may be omitted.

367. Strict adherence must be paid, both in these monthly telegrams and in other telegrams, to the rule that the figures should always be stated after, and not before, the description, so that if part of a telegram runs "Rail-

ways 60, Opium 40, Excise 80", and so on, the Controller of the Currency will know that the 60 belongs to Railways, and not to Opium; and the 40 to Opium, and not to Excise. Similarly, the words "more" and "less" should always precede the figures or detail which are "more" or "less".

368. The net monthly issues to the Military Department should be telegraphed in thousands of rupees, and not later than the 15th of the month, to the Controller of the Currency in the following form :—

Military A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, and V where

A	represents net issues to Military Northern Command and Rawalpindi District.
B	" " " Peshawar District.
C	" " " Kohat District
D	" " " Lahore District.
E	" " " Wazir Force.
F	" " " Western Command and Sind Rajputana District.
G	" " " Baluchistan District.
H	" " " Southern Command and Poona District.
I	" " " Bombay District.
J	" " " Madras District.
K	" " " Central Provinces District.
L	" " " Eastern Command and Allahabad Brigade
M	" " " United Provinces District.
N	" " " Presidency District.
O	" " " Supply Circle.
P	" " " Burma District
Q	" " " Aden District.
R	" " " War Accounts.
S	" " " Royal Air Force.
T	" " " Non-Military Pay and Pens on Accounts.
U	" " " Deputy Controller of War Accounts (Factories).
V	" " Check Totals

369. If the Controller of the Currency requires any other information regarding the progress of receipts and disbursements, the Accountant General should comply with the requisition

APPENDIX 1.

[See Arts. 17 and 210.]

Statements required in connection with the preparation of Finance and
Revenue Accounts.

[Not printed.]

APPENDIX 2.

[See Art. 67.]

Rules regulating the procedure for Central Adjusting Accounts.

Procedure for Original Officer.

1. When an Audit Officer finds in his accounts an item which he has reason to doubt, he should pass it on to an Audit Officer with whom he does not work, and credit the amount to a special head called "Central Adjusting Account." He should enter the credits and debits in two distinct schedules, one for credits and one for debits, consecutively in one series, the credits of each month in one column, and the debits in another column, in continuation, and send these schedules to the Auditor General. He should at the same time send extracts from the schedules, showing the numbers of the accounts, and the numbers of the schedules sent. The totals of the monthly accounts should correspond with the entries in the monthly accounts.

1. No original entry may be written back without the prior consent of the responding party, and the number and date of his letter consenting to the write-back should be quoted against the entry in the responding schedule.

2. No write-back can be made by a minus entry, it should appear as a responding item, full details of the original entry being given. Neglect of this precaution frequently results in amounts appearing twice involving the necessity for further adjustments.

2. The following procedure should be strictly observed in regard to vouchers:—

- (1) All vouchers with the extract to which they pertain should be placed in a sealed cover marked outside "Extract of ^{Debit} ^{Credit} of the Central Adjusting Account of.....for the month of.....to....."
- (2) This envelope will be forwarded by the original officer direct to the responding officer, and all correspondence regarding these vouchers will be carried on directly with the latter officer.
- (3) To avoid unnecessary correspondence, the original officer should always note, at foot of the list of vouchers sent to the responding officer, whether any vouchers have been kept back.
- (4) All charges for which vouchers are not forthcoming should be supported by a certificate that such charges have been duly audited and passed in accordance with the rules. This certificate should accompany the vouchers.

Procedure for Responding Officer.

3. The responding officer should, on receipt of the extracts from the schedules of original items (paragraph 1),—

- (1) accept the debit or credit, and bring it upon his account by credit or debit to "Central Adjusting Account: Responding items;" or, not accepting it, should
- (2) enter into a correspondence with the original officer, with a view to the settlement of it. In such a case, within three months, either—
 - (a) an agreement must be come to by accepting it after explanation or by making the original officer write it back; or
 - (b) the matter must be referred to the Auditor General for his decision as to which officer should adjust the item.

On no account should an item remain under objection for more than three months from the date of receipt of the extract from the schedule which included it.

4. Each item should be disposed of as a whole, and may not be partly accepted and partly rejected. This is necessary to prevent confusion. Thus, if, as the result of correspondence it is agreed that the responding officer shall accept part, and the original officer write-back the rest, then the responding officer should adjust the whole of the item, and re-debit or re-credit the balance to the original officer, in the same way as if it were an entirely new item. In this case, a remark to the effect "Agreed to in original officer's No. , dated , " should be entered in the schedule against the re-debit or re-credit.

NOTE.—When it becomes necessary to write-back an item already responded to, the responding officer should debit or credit the amount as an original item as if it were an entirely new item. See also Rule 1 to Paragraph 1.

5. The responding officer will, after the close of his accounts for a month, enter all his responding credits and debits under "Central Adjusting Account" in two distinct schedules (Form 3), and send them to the Auditor General, together with his schedules of original items

1. The greatest care is required in filling up the references to the original items in the responding schedule

2. No amount should be credited in expectation of a debit being raised, i.e., no credit should be given in anticipation of an original debit.

Reference to Auditor-General.

1. In the case of the responding officer belonging to the Railway Department, the correspondence should be sent through the Accountant General, Railways.

7. It must be without remonstrance; its purpose is to settle the case, borne upon the mode of adjustment that it may be out of account,

8. Every endeavour should be made to complete the adjustment of the account before the closing of each year's books.

Due Date.

9. The periods allowed for the completion and despatch of the Central Adjusting Accounts after close of the month to which they refer are as follows:—

Military Department	67 days.
Railways	2 months
Posts and Telegraphs	55 days.

10. Each officer should be careful to see that all his four schedules (two for original and two for responding items) for a particular month are sent to the Auditor General together. If in any month any one or more of these schedules happen to be blank, the blank schedules must nevertheless be sent to assure the Auditor General that there has been no omission.

APPENDIX 3.

[See Art. 278.]

Calculations of re-payments of Loans by equal instalments.

1. Let A be the amount of the advance ;

t, the number of periodical instalments by which it is to be repaid ;

r, the rate of interest per annum ;

the instalments are to be repaid at the rate of r per cent per annum, and so on)

2. First: given A, r, and p; to find t.

$$\text{then } t = \frac{2 + \text{Log. } p - \text{Log. } (100p - Ar)}{\text{Log } (100 + r) - 2}$$

If this gives a fractional number like 25.324, it means that after 25 instalments are paid, there will still remain an outstanding equal to nearly .324 of an instalment to be repaid.

3. Second: given A, r, and t; to find p.

First, find B by the equation:—

$$\text{Log } B = t (\text{Log. } 100 + r - 2)$$

$$\text{then Log. } p = \text{Log } A + \text{Log } B + \text{Log. } r - \text{Log. } (100B - 100).$$

4. The annexed table shows the instalments by which a loan of one lakh of rupees will be refunded by periodical instalments in a given number of years, interest being calculated at 4, 4½, 5, 5½, 6, and 6½ per cent.

In the left-hand column under each term, interest is added, and recovery of the instalment due made at the end of each year; in the right-hand column interest and instalment are supposed to be due half-yearly.

Per cent	Five years		Ten years		Fifteen years		Twenty years.		Twenty five years.		Thirty years.	
4	22,463 0	11,132 4	12,329 2	6,115 65	3,994 14	4,464 96	7,358 18	3,655 55	6,401 21	3,182 32	5,783 01	2,875 78
4½	22,779 3	11,278 9	12,637 9	6,264 19	9,311 4	4,619 94	7,687 64	3,817 69	6,743 92	3,351 84	6,139 16	3,063 68
5	23,097 6	11,425 7	12,950 8	6,414 69	9,634 21	4,777 76	8,024 25	3,983 62	7,095 23	3,525 80	6,505 15	3,235 23
5½	23,417 6	11,574 5	13,266 7	6,567 2	9,962 6	4,938 6	8,367 9	4,153 2	7,454 9	3,704 2	6,880 5	3,422 0
6	23,743 0	11,723 0	13,586 8	6,721 6	10,296 3	5,101 9	8,718 4	4,326 2	7,822 6	3,886 5	7,264 9	3,613 3
6½	23,961 3	11,799 1	13,748 2	6,799 5	10,465 0	5,184 7	8,896 2	4,414 0	8,009 5	3,979 3	7,460 3	3,710 6

Account Code Forms.

No. of Form.	Name of Form.
1	Schedule of Central Adjusting Account, Original Items.
2	Extract from Schedule of Central Adjusting Account, Original Items.
3	Schedule of Central Adjusting Account, Responding Items.
4	Schedules A and B of Exchange Accounts.
5	Schedules C and D of Exchange Accounts.
6	List of Advices of Transfer.
7	Register of outward credits under heads I and II of Exchange Accounts.
8	Adjustment Register of Inward Exchange Accounts.
9	Register of Adjustments of Accounts Current objections.
10	Special Adjustment Register for Public Works items of Inward Exchange Accounts.
11	Progress Register of Accounts Current.
12	Annual Consolidated Abstract of Progress Register of Accounts Current.
13	List of Schedules of Military Payments.
14	List of Schedules of Military Receipts.
15	Accounts Current between Civil and Military—Civil side.
16	Accounts Current between Civil and Military—Military side.
17	Statement of Credits and Debits to Military Department.
18	Register of Deposit Account of Surplus Estates of deceased Military Officers and Soldiers.
19	Account Current between Civil and Posts and Telegraphs (Civil side).
20	Statement of receipts and charges of Posts and Telegraphs on account of Civil.
21	Outward Account Current between India and the ^{Secretary of State.} High Commissioner.
22	Report of the closing balance of the Accounts rendered to the Board of Trade by Shipping Masters.
23	Statement of warrants issued for payment of pensions or leave salaries in the Colonies not in account with the Government of India.
24	Annual Abstract Statement of Stores received from England.
25	List of Government servants whose pensions (or leave salaries) are not wholly chargeable to Indian revenues, and who have received last pay or leave salary certificates for payment in England.
26	Consolidated Abstract.
27	Consolidated Abstract for March Final.

No. of Form.	Name of Form.
28	Distribution Statement of Expenditure under Central and Provincial.
29	Distribution Statement of Expenditure by Grants and Units of Appropriation.
30	Transfer Entry.
31	Index of Transfer Entries.
32	Combined Transfer Ledger and Abstract.
33	Journal.
34	Ledger for Debt and Remittance heads closed to balance.
35	Ledger for Revenue, Service, Capital and Remittance heads closed to Government.
36	Trial Balance Sheet.
37	Abstract Statement of Bills outstanding.
38	Statement of Loans and Advances to Municipalities, etc.
39	Statement of loans raised by Indian States.
40	Statement of the Sinking Funds for redemption of loans.
41	Monthly Account of Revenue and Expenditure of the provincial Government.
42	Annual Statement showing the distribution of the Revenue and Expenditure between the Central Government and the provincial Governments.
43	Capital and Revenue Accounts of Residences.
44	Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works.
45	Register of Securities held under Act VI of 1890. —
46	Ledger Account of Securities held under Act VI of 1890.
47	Balance Sheet of Securities held under Act VI of 1890.
48	Register of Properties, other than Securities, held under Act VI of 1890.
49	List and Abstract Account of Properties held under Act VI of 1890.

Form 1.

(See App. 2, Para. I)

(לפי שם המלך, וכן נראה)

Table of credit adjusting account, original item, $\frac{\text{Debit}}{\text{Credit}}$.

1932 .

WILLIAM COLLEGE IN ALICE COE

Name of office debited credited	Number in the sub-title	Amount of each item	Quantity of Depositing Entry				Balance at the end of the first entry
			Amount in the last entry		Amount in the last entry	Amount in the last entry	
			Dr. of Deposits	Cr. of Deposits			
United States, North Western Railway		\$ 1.7	\$ 1.7			\$ 1.7	\$ 1.7
Continental Railway Accounts, 2nd and 3rd		\$ 1.7	\$ 1.7			\$ 1.7	\$ 1.7
used on the		\$ 1.7	\$ 1.7			\$ 1.7	\$ 1.7
Total Credits		\$ 1.7	\$ 1.7			\$ 1.7	\$ 1.7

3. *Journal of the American Medical Association*, 1964; 190: 1000-1001.

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Form 9.

(See Art. 88.)

REGISTER OF ADJUSTMENTS OF ACCOUNTS CURRENT OBJECTIONS.
Accounts Current (a) with for 192 -2 .

AMOUNT ADJUSTED UNDER										
Month of Adjustment	Inward Account current in which written back.	Outward Account current in which accepted.	ORIGINAL.		DEBITS.			CREDITS.		INITIALS.
			Period of Account.	Items or voucher under objection.	Items accepted, but awaiting clearance.	Items rejected.	Items accepted, but awaiting clearance.	Items ejected.		
1	2	3	4	5	6	7	8	9	10	

(a) Or Exchange Accounts.

(a) Or Exchange Accounts.

Form 10.—Special Adjustment Register for Public Works Items (Debits) of Inward Exchange Accounts.

[See Art. 93.]

Part I—Register of Items awaiting Response.

Left.

Right.

Name of month	Monthly serial No. of item as per Inward Exchange account.	Name of responding division	No. and date of intimation sent to responding division in respect of items for which advances and acceptances are not exchanged by Divisional Officers.	Amount	Brief notes of all connected correspondence, whether with Divisional Officers, or with Accountant General (concerning)	Is accepted		Is rejected.		
						Month in which responded	Amount	Amount rejected.	Month of objection stated in which included.	Month of inward exchange account in which stated, if not ultimately accepted.
1	2	3	4	5	6	7	8	9	10	11
				R a. p.			R a. p.	R a. p.		
Total of the month's inward items										
Unresponded balance of previous month										
Total awaiting settlement										
Deduct—Amount responded this month										
Unresponded balance carried forward										
I certify that I have compared the entries of (1) addition and (2) deduction in this form with those in (1) the Inward Adjustment Register, Form 9, and (2) in the Serial Book respectively, and that they agree.										
						Superintendent.				

† In the case of items included in the Lists of Advances of Transfer Form 9, received with the forward exchange account, the item number of the List should be entered in this column as the denominator of a fraction, the numerator of which will be the serial number of the List item as given in the exchange account.

Part II—Register of Responses.

Month of response.	Name of responding division.	Reference to original item.		Amount brought to account.	Initials of Superintendent in token of record, in Part I, of the response.	REMARKS.
		Month of account.	Item No.			
1	2	3	4	5	6	7
				H	a. p.	

Part III—Abstract.

(In a suitable form similar to Audit Code Form 81.)

Form 11.—Progress Register of Accounts Current.

[See Art. 90.]

Progress Register of Exchange Accounts between
 , for the year 19 -19 .

and

Credits.

Debits.

I.—Remittances to this Province.	II.—Remittances to—	III.—Items adjustable by this Province	IV.—Items adjustable by—	Total.	MOVING.	I.—Remittances to this Province.	II.—Remittances to—	III.—Items adjustable by this Province.	IV.—Items adjustable by—	Total.
1	2	3	4	5	6	7	8	9	10	11
					Outward Accounts—					
					April . . .					
					May . . .					
					March Preliminary .					
					“ Final .					
					Supplementary Exchange Accounts.					
					TOTAL					
					Inward Accounts—					
					April . . .					
					May . . .					
					March Preliminary .					
					“ Final .					
					Supplementary Exchange Accounts.					
					TOTAL					
					Opening Balance .					
					Closing Balance .					
					GRAND TOTAL.					

Form 12.—Annual Consolidated Abstract of Progress Register of Accounts Current.
[See Art. 101.]

for the year 19 -19 .

Exchange Accounts between

HEAD OF CLASSIFICATION.	Balance of outstandings from last year + or -.	FIGURES OF THE FIRST SIDE.			FIGURES OF THE SECOND SIDE.			SUM OF COLUMNS 2, 5, AND 8, BEING NET OUTSTANDING FOR EXPLANATION.
		Credits by	Debits by	Net + or -	Credits by	Debits by	Net + or -	
1	2	3	4	5	6	7	8	
I.—Remittances to								+
II.—Remittances from								-
III.—Items adjustable by								
IV.—Items adjustable by								
TOTAL								

Date

Accountant General.

Form 15.

(See Art. 123)

Accounts Current between Civil and Military—Civil side.

192 .

Province

Military District

Month of

MILITARY DEPARTMENT, Dr.		MILITARY DEPARTMENT, Cr.	
I	Remittances to Civil from Military— Written-back of Departmental Receipts (A).	I	Remittances to Civil from Military— Departmental Receipts
II	Remittances to Military from Civil		Transfer Receipts on Military transac- tions
	Cheques { First List { Second List	II	Remittances to Military from Civil— Written back of Det is (B)
	Transfer Receipts { First List { Second List	III	Items adjustable by Civil
III	Items adjustable by Civil	IV	Items adjustable by Military— Miscellaneous Receipts
IV	Items adjustable by Military— Emergency Advances { First List { Second List		Indian Family Pension Fund as per list, dated 192
	Miscellaneous Payments { First List { Second List		
	TOTAL		TOTAL

NOTE.—The details of the items marked A and B are to be appended in separate schedules. No entry is to be given of "III" for a schedule by Civil as the Civil Department is entirely responsible for the adjustment. The details of the other items are shown in the schedules reporting the present head covering: viz.

Accountant General

Date

Form 17.
(See Art. 124.)

Statement of Credits and Debits to Military Department in the Account of
the for the Month of 192 .

CREDITS.	Military Districts						REMARKS.
I—Remittances to Civil from Military—Departmental Receipts							
II—Remittances to Military from Civil—Writes-back							
Transfer Receipts on Military treasure-chests							
III—Items adjustable by Civil							
IV—Items adjustable by Military—Miscellaneous Receipts							
Indian Family Pension Fund							
TOTAL FOR THIS MONTH							
TOTAL FROM 1st APRIL TO END OF THIS MONTH							
DEBITS.	Military Districts						REMARKS.
I—Remittances to Civil from Military—Writes back							
II—Remittances to Military from Civil—Cheques							
Remittance Transfer Receipts							
III—Items adjustable by Civil							
IV—Items adjustable by Military—Emergent Advances							
Miscellaneous							
TOTAL FOR THIS MONTH							
TOTAL FROM 1st APRIL TO END OF THIS MONTH							

No.

Forwarded to the Military Accountant General, Delhi

Date

Accountant General.

[illegible]

a^o are enter the names of the Deputy Assistant General, Post and Telegraph, to whom, the post offices or telegraph offices in account with the treasures of the province, render their account.

Form 21.

(See Art. 154)

(To be printed on super-royal quarto.)

Outward Account Current between India and the ^{Secretary of State}
Province Month of 19 ^{High Commissioner}

Heads <u>Credits.</u> <u>Debits.</u>	No. of Schedule.	Amount.
<p>Heads prescribed in Annexure A to Chapter 9, any details being given in the supporting schedules. The heads classified as "adjustable in India" being inserted first and thereunder those classified as "adjustable in England."</p>		

Accountant General.

Form 21.

(See Art. 154)

(To be printed on super-royal quarto.)

Outward Account Current between India and the ^{Secretary of State}
 Province Month of 19 ^{High Commissioner}

Heads ^{Credits.} Debits.	No. of Schedule.	Amount.
<p>Heads prescribed in Annexure A to Chapter 2, any details being given in the supporting schedules. The heads classified as "adjustable in India" being inserted first and thereunder those classified as "adjustable in England."</p>		

Accountant General.

Date

Form 22.

(See Art. 161, Rule 1)

*Report of the Closing Balance of the Accounts for the Month of
rendered to the Board of Trade by the Shipping Masters in*

[illegible]

Accountant General.

Data

192 .

(See Art. 189.)

Statement of Warrants issued by the Accountant-General during the quarter ending for payment of pensions in the Colonies which do not exchange accounts-current with the Government of India.*

No. of entry.	Name and title of Government servant.	No. AND DATE OF WARRANT.		At what Colonial Treasury and by whom payable.	† Government and pension is which leave salary chargeable.		Quarterly rate of pension and the amount chargeable to each Government and head of account.
		No.	Date.		Govern-ment.	Head of account.	
1		3	4	5	6	7	8

* Of the official year.

† See Notes 2 and 3 to Article 189.

Accountant-General.

Form 24.

(See Art. 18L.)

Annual Abstract Statement of Stores received from England during the year 19 -19 .

Name of Vessel.	Date of Invoice	Nature of Stores.	Value including Freight paid in London.	* Date of Receipt of Stores and of Entry in Store Account.	REMARKS.

* To be filled in by the officer receiving the stores.

Form 25.

(See Art. 185.)

List of Government servants whose pensions (or leave-salaries) are not wholly chargeable to Indian Revenue, who, have received last-pay or leave-salary certificates for payment in England.

No of entry	Name and title of Officer.	No AND DATE OF CERTIFICATE.		Government and head of account to which the pension (or leave-salary) is chargeable.		Quarterly rate of pension (or leave-salary) chargeable to each Government or head of account.
		No.	Date	Government	Head of account.	
1	2	3	4	5	6	7

Form

(See

Consolidated Abstract of Revenue and Receipts
Expenditure

Form 27.

(See Art. 202.)

*Consolidated Abstract of $\frac{\text{Revenue and Receipts}}{\text{Expenditure}}$ for the month of March
192 .—Final.*

Headings.	Progressive figures for the year.		
	Rs.	a.	p.

Form 28.

(See Art. 208.)

Distribution Statement of Expenditure under Central and Provincial for the year 19 -19 .

MAJOR HEAD.	MINOR HEAD	PROVINCIAL.											TOTAL MINOR HEAD.	
		CENTRAL			RESERVED.			TRANSFERRED			TOTAL.			
		Non- voted.	Voted.	Total	Non- voted	Voted	Total.	Non- voted.	Voted.	Total.	Non- voted.	Voted.		Total.
30—Scientific Depart- ments.	Archeology . . .	0 0 0	0 0 0	0 0 0										0 0 0
	Hydro-Electric Survey .				0 0 0	0 0 0	0 0 0					0 0 0	0 0 0	0 0 0
	Museums . . .							0 0 0	0 0 0	0 0 0		0 0 0	0 0 0	0 0 0
Total Major Head .		0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0

Form 29.

(See Art. 208.)

Distribution Statement of Expenditure by Grants and Units of Appropriation, for the year 19 -19 .

Name of Grant

Amount sanctioned for expenditure in India Rs.

Primary Units.	Amount of appropriation.	PROGRESSIVE EXPENDITURE				And so on for other months of the year.
		April. 3	May. 4	June. 5	July. 6	
1	2	Rs.	Rs.	Rs.	Rs.	
TOTAL						

Form 30.

(See Arts. 221 and 222.)

Transfer Entry.

(Sectional No.)	Date	General No.
	<p><i>Dr.</i></p> <p>MAJOR HEAD & MINOR HEAD, DAILED HEAD.</p> <p><i>To</i></p> <p><i>Heads in two lines as above.</i></p> <p><i>Cr.</i></p>	
<p><i>Debit Post.</i> Page of T. B. Ledger, Date of Posting, Initials of Poster.</p>	<p><i>Full description of the item should here be given, with a reference to the direct account from which the entry now corrected, was taken (if it be not one of the ordinary monthly entries), and also to the correspondence leading up to the correction. The explanation may, if necessary, be continued on the reverse.</i></p>	<p><i>Credit Post.</i> Page of T. B. Ledger, Date of Posting, Initials of Poster.</p>

Supt., Book Section.

Gazetted Officer

Supt. of Section desiring the entry.

This entry has been noted in the
Classified Abstract of the
district.

Superintendent.

Sent to Superintendent—Section,
for note and return.

Noted and returned.

Form 31.

(See Articles 221 and 223.)

Index of Transfer Entries.

Sectional number and distinctive letter	General Number.

Form 32.

(See Arts. 221 and 224-226.)

Combined Transfer Ledger and Abstract.

ORIGINAL.		TRANSFER ENTRY.		DETAIL BOOK POSTING.		
Debit.	Credit.	General Number.	District.	Head of Account.	Debit.	Credit.

Form 33.

(See Art. 227.)

(To be printed on royal paper.)

[illegible]

Form 35.

(See Art. 227.)

(To be printed on open royal.)

Ledger for Revenue, Service, Capital and Remittance heads closed to Government.

Month.	..	JOURNAL PAGE.		Name of Major Head.		Name of Major Head.		Name of Major Head.	
		Debit.	Credit.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
April 192 .	To or by Sundry Account- ants. Ditto .			R	a. p.	R	a. p.	R	a. p.
May 192 .	Ditto .								
Jan. 192 .	Ditto .								
Feb. 192 .	Ditto .								
Mar. 192 .	Ditto .								
	TOTAL .								

Month.	..	JOURNAL PAGE.		Name of Major Head.		Name of Major Head.		Name of Major Head.	
		Debit.	Credit.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
April 192 .	To or by Sundry Account- ants. Ditto .			R	a. p.	R	a. p.	R	a. p.
May 192 .	Ditto .								
Jan. 192 .	Ditto .								
Feb. 192 .	Ditto .								
Mar. 192 .	Ditto .								
	TOTAL .								

(See Art. 288.)

Statement of Loans and Advances to Municipalities, etc., during 192 .

Corporation receiving the Loan.	Amount of Loan Inter-sanctioned	Rate of Interest.	Date of Order authorizing the Loan	Balance from last year	Amount advanced this year	Total	Amount repaid	Balance of Loan at close of year.	Amount of Interest received and credited to Revenue.	Balance of Interest unpaid.
	R o p.			R a p.	R a p.	R a p.	R s p.	R s. p.	R s p.	R a. p.
	£2,20,000 0 0	4 (a)		42,00,000 0 0	9,50,000 0 0	£1,50,000 0 0		£1,50,000 0 0	1,52,421 14 8	
	6,30,000 0 0	4 (a)								
	2,00,000 0 0	5								
	12,80,000 0 0	4 (a)			35,154 10 11	55,154 10 11	10,000 0 0	25,154 10 11	869 0 1	
		8		6,19,253 8 3	50,000 0 0	50,000 0 0		50,000 0 0	1,000 0 0	
		4		37,91,176 0 0		6,19,253 8 3			1,14,215 14 7	
		Nd		1,22,774 0 0		37,91,176 0 0	11,248 0 0	37,79,927 0 4	1,41,692 12 6	
						1,22,774 0 0	92,5000 0 0	29,274 0 0		
	30,000 0 0	5			11,006 12 8	11,006 12 8		11,006 12 8		

(a) In addition to this rate two per cent. has been appropriated to form a Sinking Fund. The columns are not fully filled up, as sample entries only are required for guidance.

Form 39.

[See Art. 289.]

Statement of loans raised by Indian States for *James* purposes.

Year

192 .

1	2	3		4	5	6		7	8		9		10		11		12		13		14		15	16	17	18	19
		As originally sanctioned and date of grant.	As actually advanced.			Rate of interest.	Terms of repayment.		Principal.	Interest.	Principal.	Interest.	Principal.	Interest.	Principal.	Interest.	Principal.	Interest.	Principal.	Interest.	Principal.	Interest.					
Name of State.								Amount of Principal repaid prior to the year under report.																	Balance of the loan outstanding (including arrears of Principal) at the close of the year.	REMARKS (INCLUDING A STATEMENT AS TO THE PURPOSE OR USE TO WHICH THE FUND CASE).	Reference to orders sanctioning loan.

Form 40.

(See Art. 200.)
Statement of the Sinking Funds for Redemption of Loans during 1902.

	BALANCE.		RECEIPTS.		TOTAL.		PAYMENTS.		BALANCE.	
	Government securities	Cash.	Government Securities.	Cash.	Government Securities	Cash.	Government Securities.	Cash.	Government Securities.	Cash.
Corporations										
1	2	3	4	5	6	7	8	9	10	11
	H. a. p.	H. a. p.	H. a. p.	H. a. p.	H. a. p.	H. a. p.	H. a. p.	H. a. p.	H. a. p.	H. a. p.
	24,800 0 0	22 2 4	84,000 0 0	96,471 8 1	1,36,500 0 0	27,206, 6 8	—	97,276 8 8	1,24,600 0 0	40 2 2
	—	—	500 0 0	500 0 0	500 0 0	500 0 0	—	479 4 11	500 0 0	20 11 1

Form

[See Art.

Capital and Revenue

Locality.	Serial number.	Particulars of Buildings.	CAPITAL OUTLAY.			Year from which Revenue accounts were opened.	Number of years for which Revenue accounts have been kept.	AMOUNT ALLOWED FOR MAINTENANCE IN ARRIVING AT STANDARD RENT.		MAINTENANCE CHARGES.		
			To end of previous year.	During year.	To end of year.			Ordinary	Special.	During year.	To end of previous year.	To end of year.
1	2	3	4	5	6	7	8	9	10	11	12	13
			Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.	Rs.

Column 15.—The amount in column 15 + twice column 16 of previous
 Column 16.—Interest on half the amount shown in column 5, at the rate
 In the case of leased residences, column 18 should not be filled in.
 Columns 20 and 21.—When two or more rates are chargeable during a

NOTE.—In the case of buildings brought on to these accounts for the first time, the outlay to end of previous
 in the previous year's account and should, therefore, be worked out independently and entered in column 13.

43.

308]

Accounts of Repairs.

Year

192-2

INTEREST CHARGES FOR THE YEAR, OR RENT PAYABLE BY GOVERNMENT.				Total of average annual maintenance charges and interest for year (cols 14+17).	Standard rent per annum	RENT REALIZED DURING YEAR			Remarks
Average per annum.	On capital outlay to end of previous year.	On capital outlay during year.	Total.			Monthly rate	No. of months	Amount	
14	15	16	17	18	19	20	21	22	23
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	

year's account

at which the Government was borrowing money in the open market when the outlay was incurred

year, each period of occupation (in months and days) with its rate should be noted in the Remarks column. year should be noted in column 4 and not in column 5. The charges for interest on this amount will have to be ascertained

Form 44—contd.

Project.

PART III.—REVENUE ACCOUNT FOR AND TO END OF YEAR 192 -2 .

Date of closing of construction estimate

GROSS RECEIPTS.				GROSS WORKING EXPENSES.				REMARKS.
Minor Heads.	TOTAL.			Heads of Account (Minor and ser- vice heads).	Total.			
	To end of previous year.	During year	Total.		To end of previous year.	During year.	Total.	
1	2	3	4	5	6	7	8	9
Direct Receipts				Direct charges.				
Total Direct Receipts.				Direct Total Charges.				
Portion of Land Revenue due to Works.				Indirect Charges as per Part V.				
Total Gross Receipts				Gross Charges				
Net Deficit (if any).				Balance Net Revenue.				
GRAND TOTAL				GRAND TOTAL.				

FORM.

[No 44.]

Form 44—*contd.*

Project.

PART IV.—INTEREST ACCOUNT FOR AND TO END OF YEAR 192 -2

Interest.	Net Revenue	
	Amount	Amount
Total Interest to end of previous year	Net Revenue realised to end of previous year, as per Part III	
Interest charges for the year	Net Revenue realised during the year, as per Part III	
Total Interest to end of year	Total Net Revenue realised to end of the year, as per Part III	
** Balance	** Balance	
TOTAL	TOTAL	

Form 44—*contd.*

Project.

PART V.—ACCOUNT OF INDIRECT CHARGES FOR AND TO END OF YEAR 192 -2

Particulars	AMOUNT		
	To end of previous year	During year	Total
Capital Account—			
Capitalised abatement of Land Revenue			
Leave and Pensionary Charges			
Audit and Accounts Establishment			
Total Capital Account			
Revenue Account—			
Capitalised abatement of Land Revenue			
Leave and Pensionary Charges			
Audit and Accounts Establishment			
Total Revenue Account			

Form 44—*concl.*

Project.

PART VI.—STATEMENT COMPARING CAPITAL COST TO END OF 192 -2, WITH SANCTIONED ESTIMATES.

Particulars.	CHARGES AGAINST CLOSED SANCTIONS.			CURRENT SANCTIONS				REMARKS.
	Expenditure against construction estimate.	Expenditure against open capital sanctions.	Total.	Charges to date.	Amount of sanctioned estimate.	Unspent balance.	Total charges to date against old and current sanctions.	
1	2	3	4	5	6	7	8	9

** Balance will be entered on the Interest or the Net Revenue side as may be necessary.

Form 44—*contd.*

Project. .

PART III.—REVENUE ACCOUNT FOR AND TO END OF YEAR 192 -2 .

Date of closing of construction estimate

GROSS RECEIPTS.				GROSS WORKING EXPENSES.				REMARKS.
Minor Heads.	TOTAL.			Heads of Account (Minor and ser- vice heads).	Total.			
	In end of previous year.	During year.	Total.		In end of previous year.	During year.	Total.	
1	2	3	4	5	6	7	8	9
Direct Receipts .				Direct charges.			.	
Total Direct Re- ceipts.				Direct Total Charges.				
Portion of Land Revenue due to Works.		.		Indirect Charges as per Part V.				
Total Gross Receipts				Gross Charges				
Net Deficit (if any).				Balance Net Revenue.				
GRAND TOTAL .				GRAND TOTAL.				

FORMS.

[No. 44.]

Form 44—contd.

Project.

PART IV.—INTEREST ACCOUNT FOR AND TO END OF YEAR 192 -2 .

Interest.	Net Revenue.	
	Amount.	Amount.
Total Interest to end of previous year	Net Revenue realised to end of previous year, as per Part III.	
Interest charges for the year	Net Revenue realised during the year, as per Part III	
Total Interest to end of year	Total Net Revenue realised to end of the year, as per Part III	
** Balance	** Balance	
TOTAL	TOTAL	

Form 44—contd.

Project.

PART V.—ACCOUNT OF INDIRECT CHARGES FOR AND TO END OF YEAR 192 -2 .

Particulars	AMOUNT		
	To end of previous year	During year	Total.
Capital Account—			
Capitalised statement of Land Revenue			
Leave and Pensionary Charges			
Audit and Accounts Establishment			
Total Capital Account			
Revenue Account—			
Capitalised statement of Land Revenue			
Leave and Pensionary Charges			
Audit and Accounts Establishment			
Total Revenue Account			

Form 44—concl'd.

Project.

PART VI.—STATEMENT COMPARING CAPITAL COST TO END OF 192 -2 , WITH SANCTIONED ESTIMATES.

Particulars.	CHARGES AGAINST CLOSED SANCTIONS.			CURRENT SANCTIONS.			Total charges to date against all and current sanctions.	REMARKS
	Expenditure against construction estimate.	Expenditure against open capital sanctions	Total.	Charges to date.	Amount of sanctioned estimate.	Unspent Balance.		
1	2	3	4	5	6	7	8	9

** Balance will be entered on the Interest or the Net Revenue side as may be necessary

Form 45.

(See Chap. 19, Annex. para. 7.)

(Form 1 prescribed in Rules for Charitable Endowment Funds.)

Register of Securities held under Act VI of 1890.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Serial No.	Date of receipt.	Name or brief description of Charitable Endowment.	From whom received.	No. and date of forwarding letter.	Nature of securities, e.g., Government securities, 3½ per cent. Loan of 1895. Guaranteed Railway Debentures, etc. etc.	Distinguishing number of each security.	Nominal value of each security.	Total nominal value of each separate endowment.	Ledger folio.	Date.	To whom sent.	Authority for receipt.	No. and date of acknowledgment.	Nominal value of each security.	Quarter in which deducted from balance.	Initials of the Treasurer or Assistant in charge.	Remarks.

N.B.—The amount in column 9 will be totalled each quarter, the total of the amounts returned during the quarter, with a note of the serial numbers to which they appertain, will be deducted, and the balance worked out and carried forward to the next quarter. Amounts sent to the Controller of the Currency should not be entered in columns 11—16 or deducted from the balance, as the Controller of the Currency holds these amounts as Agent for the Treasurer.

Form 46.

(See Chap. 19, Annex. para. 7.)

(Form 2 prescribed in Rules for Charitable Endowment Funds.)

Ledger Account of Securities held under Act VI of 1890.

1. Name of endowment.
2. Particulars of vesting order.
3. When vested in Treasurer.
4. Names of Administrators.
5. To whom interest is to be sent.

PART I.—Account of Capital.

Serial No. in Form 1.	Particulars (e.g., received or returned).	Detail of securities (distinguishing number, etc.)	VALUE OF EACH SECURITY (SEPARATE COLUMN FOR EACH KIND).				Amount of half-yearly interest.	Date to which interest has been paid on receipt.	Initials of Treasurer or Assistant in charge.
			3½ per cent. Loan of 1865.	Guaranteed Railway.					

N. B.—The balance of the value columns must be worked out on every day on which there is a new entry.

PART II.—Cash Account.

RECEIPTS.			EXPENDITURE.		
Date.	Particulars.	Amount.	Date.	Particulars	Amount

N. B.—To be closed annually to balance. The transactions will not be numerous. A few pages of the ledger (ruled only for the Cash Account) may be left for each account, so that the account may be carried on for several years without opening a fresh Ledger Account.

Form 47.

(See Chap. 19, Annex. para. 11.)

*(Form 3 prescribed in Rules for Charitable Endowment Funds.)**Balance Sheet of securities held under Act VI of 1890.*

PARTICULARS.	NUMBER AND VALUE OF SECURITIES.				
	3½ PER CENT. LOAN OF 1865.		(A pair of columns for each different kind of security held.)	TOTAL.	
	No.	Value		No.	Value.
Opening balance (from last year)					
Received during year, total must agree with Form 45).					
Grand Total (a)					
Returned during year					
Sent to "Controller of the Currency" during year					
Total transferred or returned (b).					
Closing balance [difference between (a) and (b)].					

Certified that the above closing balance has been compared with the securities in Treasurer's possession, and has been found to agree both as to number and value.

Form 47.

(See Chap. 19, Annex. para. 11.)

*(Form 3 prescribed in Rules for Charitable Endowment Funds.)**Balance Sheet of securities held under Act VI of 1890.*

PARTICULARS.	NUMBER AND VALUE OF SECURITIES.				
	3½ PER CENT. LOAN OF 1885.		(A pair of columns for each different kind of security held.)	TOTAL.	
	No.	Value.		No.	Value.
Opening balance (from last year)					
Received during year (total must agree with Form 45).					
Grand Total (a)					
Returned during year					
Sent to "Controller of the Currency" during year.					
Total transferred or returned (b).					
Closing balance [difference between (a) and (b)].					

Certified that the above closing balance has been compared with the securities in Treasurer's possession, and has been found to agree both as to number and value.

Form 49.

(See Chap. 19, Annex. para. 14.)

LIST AND ABSTRACT ACCOUNT OF PROPERTIES, HELD UNDER ACT VI OF 1890.

(Form 5 prescribed in Rules for Charitable Endowment Funds.)

PART I.—List of Properties, other than Securities.

Serial No.	PARTICULARS OF TRUSTING ORDER.		Name of endowment	Administrators of property.	PROPERTY HELD.			REMARKS.
	No.	Date.			Description.	Value.	Annual income, if known.	
1	1	3	4	5	6	7	8	9

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Serial number of correction.
Rule affected,
Date of posting.
Serial number of correction.
Rule affected,
Date of posting.
Serial number of correction.
Rule affected,
Date of posting.

2

	Serial number of correction.
	Rule affected.
	Date of printing

